

# **Developments In Business Simulation & Experiential Exercises, Volume 23, 1996**

## **THE NECESSITY OF INCORPORATING LOCAL CULTURAL ASPECTS INTO INTERNATIONAL BUSINESS EXPERIENTIAL EXERCISES**

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### **ABSTRACT**

As more and more U.S. companies become intertwined in the global economy, it becomes imperative that their personnel become more knowledgeable about the cultural influences of the countries with which they conduct business. This in turn places a greater responsibility on academia to provide more comprehensive and intense educational opportunities in the area of international culture and how it can mean the difference between success or failure for an international business endeavor. A recent review of the field of international education indicated a sparse amount of experiential exercises that emphasized the importance of international culture.

Thus, the purpose of this paper is to present the results of an elaborate study attempting to identify a variety of cultural aspects of many different international regions. It is hoped that this information will be a valuable asset to be utilized in the development of realistic experiential exercises that will help academia sensitize its students to the cultural differences that exist in the global economy.

### **INTRODUCTION**

With expectations that half of the world's assets will be controlled by multinationals in the year 2000, international awareness becomes a more relevant issue than most people are willing to concede (Dulek, Fieden, & Hill, 1991). Cross-border business has been driven forward by falling regulatory barriers to overseas investment, tumbling telecommunications and transport costs, and freer domestic and international capital markets in which companies can be bought and currency and other risks can be controlled (Emmott, 1993).

Earlier international training was primarily limited to knowing how to communicate effectively in the respective language(s). However, when it comes to knowledge of foreign languages, an official State Department's linguist states that Americans are somewhere at the bottom of the civilized world (Gedda, 1989). A fact that acerbates this

situation is that U.S. businesspeople have the lowest foreign language proficiency of any major trading nation.

Even when a proficiency in a foreign language does exist, it does not compensate for not knowing the norms of the different cultures in which a businessperson may be operating. A thorough understanding about a foreign country and its culture is imperative if an American businessperson is to be able to put themselves in their foreign counterparts position and view business endeavors from their point of view (Barnum and Wolniansky 1989).

In trying to bridge the cultural gap, Americans tend to accommodate more of their own values than of their hosts. Though the differences in cultural values are not considered wrong, different behaviors sometimes convey different messages than ones originally intended. Mistakes are often unintended, e.g., calling a Malaysian "rajah", a nobility, "Roger" will embarrass hosts costing the company the business at hand. Furthermore, doing market research at home may not suffice to introduce a product or service in another country. Introducing a carbonated soft-drink in Indonesia without researching what Indonesians actually drink and opening an American-style health club in Singapore without addressing the natives' preferences exemplify some of the many instances where American companies failed to recognize differences imbedded in cultural values (Valentine 1989).

To crash another culture with only the vaguest notion of its underlying dynamics reflects not only a provincial naivete but a dangerous form of cultural arrogance. Cultures vary in their reactions to even the most common ritual: unburying the dead may prompt tears in one society, smiles in another, and dancing in a third" (Barnlund 1988). Failed overseas assignments have cost some multinational corporations in excess of \$500,000 a year (Lublin 1992). Making assumptions about differing cultures may not only be costly but fatal in other instances. A U.S. manager of a large engineering

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company's operations in Nigeria kept being thrown into prison. After he had several spells in jail, his employers in the U.S. realized that the problem was largely a matter of poor cross-cultural communication" (Clutterbuck 1980). Furthermore, change of leadership in a country, like Iran and Libya, requires a reevaluation of the company's reception in that country (Lee 1983).

### **LOW VERSUS HIGH CONTEXT INTERNATIONAL CULTURAL DIFFERENCES**

Cultures, however, cannot be narrowly classified by country or continent. Furthermore, regional differences within one country are common, such as in some of the African nations where the language differs from state to state. Intercultural exchanges pose many challenges. Depending on the cultural context, American businesspersons may be subjected to sensitivity tests. Knowing in which context one operates, the businessperson will be able to recognize the tests and their relevance.

There are generally two broad categories of cultures around the world: the high and the low context cultures. High context cultures tend to value the personality of the businessperson and the company with which they negotiate more than the actual details entailed in the negotiations. Low context cultures, on the other hand, do not value the social context around negotiations: they place more emphasis on the content of the negotiations (Dulek, Fieden, & Hill, 1991). It is, therefore, not surprising that high context cultures are located in eastern countries or those influenced by eastern cultures. Low context cultures are found in the western societies.

Low-context societies are the opposite of high-context societies. In low-context cultures the social context in which the agreement has been forged has no legal standing and hence, does not count. European cultures, consequently, differ by language and mannerisms. As in African nations, European nations are dotted with regional flavors; but the business traveler can generalize certain characteristics as common to individual countries.

In contrast to their low-context characteristics, many Europeans consider conversation an art. Knowing the particular language of the host European country would

greatly enhance the business traveler's effectiveness. Topics of regional politics would be of great interest; but, the traveler should not take sides with any political point of view.

### **INTERNATIONAL CULTURE COMMONALTIES**

Eventhough there exists a multiplicity of cultural differences in the global economy, there are a few certain consistencies around the world. Every nation possesses national and cultural pride. And while their citizenry may not actually tell themselves that their culture is better than other nations; often the belief is so basic that it turns up in subtle behavior toward people from different cultures (McCaffrey and Hafner?). The American businessperson, therefore, should be sensitive about how to promote products and services without offending hosts. The safest method is to adopt curiosity as an approach without projecting an air of insincerity. Knowing a little about cultural issues will cultivate the hosts' trust in the American's views. However, where opinions differ, American businesspersons should maintain consistency with hosts' values and beliefs and perhaps use allegory as a lead into an opposing view.

### **UTILIZING INTERNATIONAL CULTURE DIFFERENCES TO ENHANCE EXPERIENCES EXERCISES**

### **CONCLUSION**

Cross-cultural training is on the rise everywhere because more global-minded corporations moving fast-track executives overseas want to curb the cost of failed expatriate stints (Lublin 1992). The growing international competition that American firms face has increased the need for firms to become more competitive by improving the cross-cultural management aspects of their business (Black and Porter 1990). It's not news to anyone that the U.S. is losing its leadership position in the world economy. Multinational organizations are finding that they must accommodate the growing nationalistic assertiveness of their foreign trade partners to remain competitive" (Copeland 1985).

### **REFERENCES**

References available upon request.