

# Cross Cultural Issues in International Business

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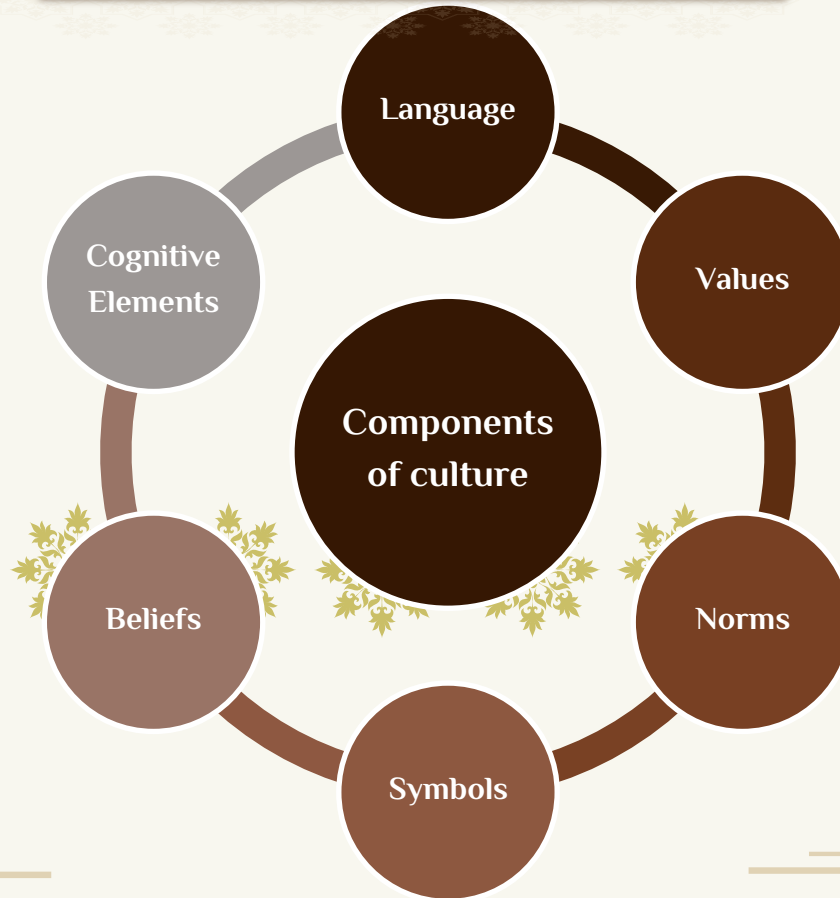


# Culture

A complex whole that includes knowledge, beliefs, art, moral, law, customs and other capabilities acquired by people as a members of the society



# Components of Culture



# Language

A group of words or ideas having common meaning and is shared to a social situation is called language. Language is the entrance to a **culture**. Language is a set of socially sound pattern, words, and sentences having specific meaning and terminology common to the same culture.

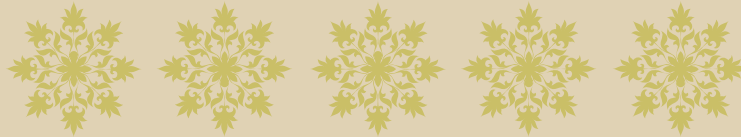
- Language is a source of communication and to transmit message from one person to another. It is the method to mold the behavior and experience of a person. Language differs from culture to culture and is transmitted from one generation to another.
- Language is like a vehicle through which we can carry out our complex social activities. Language is the foundation of a culture and ticket to the entrance of a social life. Animal have not culture because they have no specific language to transmit worlds to others. So, language is the key to open a social life of an individual with some special characteristics.

# Symbols

- Culture is a system of symbols. Symbols are anything used to represent express and stand for an event situation. Symbols direct to guide our behavior. It is used to show an event of past, present or future.
- Bowing head, whistling, winking of eyes situation, all are the symbols, which express a specific object idea about other. American Shake their hand to answer for No. Other examples are flag, anthem, picture, statues are symbols. Symbols are the short expression for the identification of an object or situation.

# Norms

Norms as elements of culture are the rules and the guidelines which specify the behavior of an individual. Norms keep a person within the boundary of society and its culture. It gives us restriction about something which to do and which not to do. It molds our behavior and gives us knowledge about wrong and right.



# Values

- Anything getting importance in our daily life becomes our values.
- Values are basic and fundamental beliefs that guide or motivate attitudes or actions. They help us to determine what is important to us. Values describe the personal qualities we choose to embody to guide our actions; the sort of person we want to be; the manner in which we treat ourselves and others, and our interaction with the world around us. They provide the general guidelines for conduct.





# Beliefs

- Every sect within a culture having some beliefs for cultural refuge. These beliefs are responsible for the spiritual fulfillment of needs and wants. Muslims believe in God, Holy Prophet, The Day of Judgment, recitation of Holy Quran, Hajj etc.
- Sikh wear bangle in one hand, bear a long beard, keeping a dagger. Cross for Christians and a necklace or a cotton thread around neck, the water of Ganga and are sacred for Hindus.

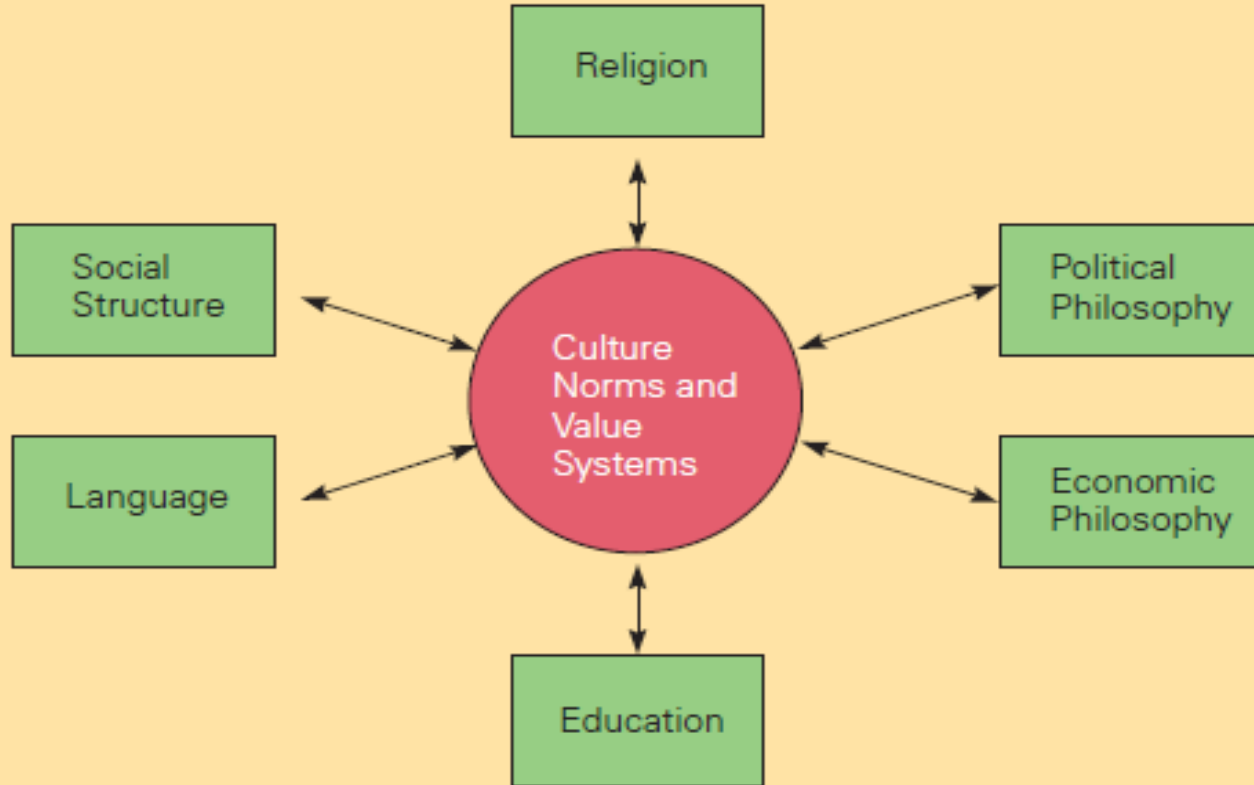


# Cognitive Elements

- Cognitive elements of culture are those things which an individual knows how to cope with an existing social situation.
- How to survive, how to make shelter from storms and other natural calamities, how to travel and transport etc. are the practical knowledge which make a culture. Such knowledge is carefully thought to every generation.



# What Determines Culture?



# Critical issues in cross cultural teams



# Critical issues in cross cultural teams

**01.** Communication problem

**02.** Different Working Culture

**03.** Decision Making Conflicts

**04.** Negative Cultural Stereotypes and prejudices

**05.** Increasing of Stress and Driving of Opinion

# Communication problems

- Communication problems refers to misunderstandings and misinterpretation of other people's meanings while talking.
- Depending on the nature of the misunderstanding it can lead to tension and arguments in all kinds of relationships

# Communication problems

**Communication** can be the hardest wall to break down in a **multicultural working environment**. Example:- some members' lack of fluency in the team's dominant language or the communication style of their own country.

- **Trouble with fluency and accent:**

when non-native speakers struggle to find the right words, the team might not take their point of view seriously, even when they probably should. Members who aren't fluent in the team's dominant language may have **difficulty communicating** their knowledge. This can prevent the team from using their expertise and **create frustration** or perceptions of incompetence.

- **Direct and indirect communication:**

Western cultures tend to speak directly, while in many other cultures it is considered more polite to be indirect . When members see such mismatch as violations of communication norms of their cultures, relationships among the teammates can suffer.

# Different Work Culture

- **Work culture** is the beliefs, customs, and behavior of a group of people within a work environment; such as a team, department, or the organization as a whole. It is created through the behavior of everyone working in an organization, from the CEO to the entry-level employees. Work culture differs across the globe
- Some cultures are okay with **flat organizational structures**, while others are used to a **formal hierarchy**. Behavior that is perceived as respectful in one culture, may not be seen that way in the other.

For instance, team members from hierarchical cultures expect to be treated differently according to their **status in the corporation**. On the other hand workers from egalitarian cultures do not. Failure of some members to honor those expectations can cause **humiliation** or **loss of stature and credibility**.

- Another issue related to work culture is **being less likely to speak up**. This could be challenging for individuals from polite or deferential cultures, like for Asian people. They may just feel less comfortable to make their voice to be heard or to **share ideas**, especially if they are new in the team or have a junior role.

On the other hand, members from Western or Scandinavian countries who are used to flat organizational hierarchy may be more inclined to point out their opinions.



# Decision Making Conflicts

- Working in a multicultural team means also facing **differences in how decisions are made** and in **how much analysis is required** by teammates beforehand.
- Conflicts arise when some of them make decisions quickly versus slowly, or analytically versus instinctively.
- Someone who prefers making decisions quickly may grow frustrated with those who need more time.

Ex:- U.S. managers are known to like to make decisions very quickly and with relatively little analysis by comparison with managers from other countries. On the other hand, Asian managers dedicate more time to analysis.

# Negative Cultural Stereotypes and prejudices

- In social psychology, a stereotype is a fixed, over generalized belief about a particular group or class of people. By stereotyping we infer that a person has a whole range of characteristics and abilities that we assume all members of that group have.
- One advantage of a stereotype is that it enables us to respond rapidly to situations because we may have had a similar experience before.
- One disadvantage is that it makes us ignore differences between individuals; therefore we think things about people that might not be true ( make generalizations).
- Negative culture stereotypes can be seriously disruptive to company morale and can also affect productivity.

# Negative Cultural Stereotypes and prejudices

- Prejudice is an unjustified or incorrect attitude (usually negative) towards an individual based solely on the individual's membership of a social group.
- For example, a person may hold prejudiced views towards a certain race or gender etc.
- Discrimination is the behavior or actions, usually negative, towards an individual or group of people, especially on the basis of sex/race/social class, etc.

# Group Work

How to Manage  
issues in cross  
cultural teams



# 03.

## National Culture and communication styles



# National culture

National culture can be defined as “the collective mental programming” of a society. The nature of national culture will have significant implications for the organization, its management and its human resource development within the prevailing local and environmental context.

**National culture** is the norms, behaviors, beliefs, customs, and values shared by the population of a sovereign nation (e.g., a Chinese or Canadian **national culture**). It refers to specific characteristics such as language, religion, ethnic and racial identity, cultural history and traditions.

# Language

The principal method of human communication, consisting of words used in a structured and conventional way and conveyed by speech, writing, or gesture. by language we mean both spoken and unspoken means of communication

- Spoken Language
- Unspoken Language

# communication styles

- Direct vs. Indirect Style
- Elaborate vs. Exacting vs. Succinct Style
- Personal vs. Contextual style
- Instrumental vs. Affective style



# Direct vs. Indirect Style

- Members of individualistic, low-context cultures tend to use the direct style, which corresponds best to the value orientations (honesty, openness, individual worth) of such cultures.
- Members of collectivistic, high-context cultures prefer to use the indirect verbal style. Speakers of such cultures often use imprecise and even ambiguous words to communicate their messages. They do so in order to keep up group harmony and group conformity

# Elaborate vs. Exacting vs. Succinct Style

- These three verbal stylistic variations describe the quantity of talk in everyday conversations in different cultures.
- The elaborate style distinguishes itself by a rich, expressive language, which uses a large number of adjectives describing a noun, exaggerations, idiomatic expressions, proverbs and metaphors. This style is mainly used in cultures of the Middle East such as Iran, Egypt, Lebanon and Saudi-Arabia
- The exacting style can be found in low-context cultures. These are mainly North American and North European cultures. It says that neither more nor less information is required to communicate a message. No additional words or paraphrases are required.

# Personal vs. Contextual style

- Members of individualistic, low-context cultures tend to see every individual as equal which is also reflected in their language.
- North Americans for example prefer a first-name basis and direct address. Using titles, honorifics etc is avoided. They are conscious about equalising their language and their interpersonal relations.
- Members of collectivistic, high-context cultures find themselves during a conversation in certain roles which can depend on the status of the partner
- The contextual style is heavily based on a hierarchical social order and is a rather role-centred language.

# Instrumental vs. Affective style

- These dimensions refer to how and to which extent language is used in verbal exchange in order to persuade the interlocutor
- That includes the speaker's attitude toward his listeners.
- The instrumental style is goal-oriented in verbal exchange and employs a sender-oriented language.
- The instrumental style is dominant in individualistic, low-context cultures.
- The affective style is process-oriented in verbal exchange and uses a receiver-oriented language.
- The roles of speaker and listener are rather integrated than differentiated and are interdependent. The speaker is not only expected to transmit his or her message, but at the same time to be "considerate about other's feelings"



Thanks!