**Q.1 McDonalds is the biggest food chain in the world. Beef is served in only those places**

**where it is culturally accepted. In India, where vegetarian food is preferred, one finds**

**ample varieties of it in their outlets. What is your opinion about cultural clashes in**

**business. With the help of a real life product/ business example showcase how business**

**has ingenious ways to cross over cultural differences.**

**Ans.**

From ethics to etiquette, fashions to values, cultural norms vary vastly from place to place and companies that ignore the differences do so at their own peril. But what if a company is caught between two communities and two sets of community values?

For companies that manufacture products in one country and sell them in another, balancing the ethics and moral values of two cultures can be a delicate dance of give and take, with lessons for both sides.

Example: North America-based Molson Coors faced a major values gap in 2012, when it acquired the Central European brewer StarBev for (US $3.54bn). Molson Coors CSR standards were grounded in the values and business environment of its host countries Canada and the US.

StarBev, on the other hand, was based in the Czech Republic, and had a different values structure. Finding a connective link between the two perspectives was a key to making the merger work. Coupled with the communication difficulty, the company’s new Czech holdings also had a fundamentally different work ethic. In comparison to the more spontaneous North American and UK approach to business, the former StarBev operations were more structured and ordered. They very much want a road map about activities. They want to know where we’re going, what we’re doing, what the times scope are, what the metrics are.

So, with the help of centralized communication tool communication barriers were eliminated and information were exchanged to manage and maintain employee satisfaction and improving business collaboration by understanding their perspective. Moreover, while Molson Coors was bringing these values to the Czech Republic, it was also bringing some of StarBev values back to North America and hence worked in a two way process of inheriting cultural diversity for business sustainability.

Typical practices to cross over cultural difference are:

## Communication:

## Effective communication is essential to the success of any business venture, but it is particularly critical when there is a real risk of your message getting “lost in translation.” In many international companies, English is the de facto language of business. But more than just the language you speak, it’s *how* you convey your message that’s important.

## Workplace etiquette:

## Different approaches to professional communication is just one of the innumerable differences in workplace norms from around the world. The concept of punctuality can also differ between cultures in an international business environment. Different ideas of what constitutes being “on time” can often lead to misunderstandings or negative cultural perceptions.

## Organizational hierarchy:

Organizational hierarchy and attitudes towards management roles can also vary widely between cultures. Whether or not those in junior or middle-management positions feel comfortable speaking up in meetings, questioning senior decisions, or expressing a differing opinion can be dictated by cultural norms. Often these attitudes can be a reflection of a country’s societal values or level of social equality.

## Learn your client’s culture:

## Taking the time to research or inquire about another’s culture can go a long way to make them feel comfortable. Learn about the things your clients and customers like and value: their food, their customs and protocol, business practices and what they do for fun. Since there is a host of information available online, you can easily discover the basic tenets of their culture.

**Q.2 “Reach for the stars but always keep one foot on the ground”, was the best advice that L.N.Mittal received. He says that ambition soars high and along with that the**

**compulsions of achieving the goals. It then becomes difficult to practice integrity and**

**to stay in touch with reality. Success means you fly and cannot keep your feet**

**grounded. What do you understand by business ambition. Is it a moral quality? When**

**does success define good business?**

**Ans.**

The words are abstract of the speech L.N.Mittal and Arcelor Mittal while sharing their life experiences throughout their business lifespan at an event in IIMA.

He addressed the students to have small steps in all sorts of ambitions in life stating an analogy with building a mansion to have sustainable development, encouraging self motivated steps not taking too much care of general opinions by public.

Business ambition must be big but it is to be noted that everything has to be built slowly and rigidly with hard determination to succeed. Stating not too loose hope as life test person on hard measures and one must be motivated while tackling with them.

Success can’t be achieved overnight, one has to build it slowly and constantly with efficiency and hard work. It takes into account various factors to get to a person as everybody cannot be successful in world.

Morals come from experiences and so was the speech, in context of his own personal experience. He stated in his story the facts of how he struggled with all the situations where people were anti about their business decisions. He justified it lately by addressing to believe in what’s right for you, instead of getting too involved in opinions of other people. He motivated people for learning new things to survive the competition and for deep understanding of real-time world.

A successful company is one which, behaving ethically and legally, creates value, independent of the owner's efforts. This usually results in a sustained stream of profit, and a positive market value, representing the anticipated future profits.

* Ethically because unethical companies tend to transfer value rather than create it.
* Legally because any value created illegally will be destroyed when it's discovered.
* Independent of the owners because any company that depends on the ongoing work of the owners is more of a job than a company.
* Sustained because if it's not sustained (or sustainable), it could be the result of mere luck.
* Profit because anyone can make a company with a certain level of revenue without containing costs.
* Market value because that's how we measure these things.

Some things which are not, in my definition, successful companies:

* A lottery
* A drug trafficking operation
* A sole trading plumber with no brand recognition beyond his/her own name
* A startup with no revenue
* A startup with no profit, and no clear plan to grow such that revenue>cost
* A business you can't sell

I suspect the most contentious qualification there is "ethically". This is a value judgement in the eyes of the beholder. It means that in some people's eyes, conventionally successful companies such as Shell, McDonalds, Microsoft, Philip Morris or Blackwater/Xe may not be considered successful, while in other's eyes, they may be.

**Q3.**

**A) In the parking lot of malls in Bangalore, it is a common sight to see provisions made**

**to recharge the car batteries of Reva, the electric car. Unlike Nano, Reva did not get**

**much publicity, but the way it works is quietly making sense to the consumers. How**

**can ethical consumerism change businesses, explain using Reva as a case.**

**Ans.**

Being an ethical consumer means buying products which were ethically produced and or which are not harmful to the environment and society. This can be as simple as buying free-range eggs or as complex as boycotting goods produced by child labour.

Products which fall into the ethical category include organic produce, fair trade goods, energy-efficient light bulbs, electricity from renewable energy, recycled paper and wood products with Forest Stewardship Council approval.

In Reva case the electric car is providing pollution free sources for the public which is more of a sustainable business practice providing users an edge of cost reduction. Though poor marketing practices may have led defamed unlike Nano, is the first car to bring out the concept of fuel free cars in India. People are certainly drifting towards fuel free technology due to rising prices of consumable fuel and high maintenance of machine engine cars.

It is certainly not an option for people having racing expectations but fulfils the need of common people in sweet spot package. Indians with majority of population in middle family capsule has been adopting the culture as it provides cost effective solutions but contrarily facing the status quo challenge which is representing a moderately thick slab of societies in between middle class and high class families.

**B) An ordinary consumer in the market recognizes the various common brands, for**

**instance Lipton, Mcdonalds, Tata Motors, Apple, Bata etc. thousands of companies that**

**supply to the varied needs of consumer jostle for a place in the consumer’s heart and**

**mind. These companies would like to build a good reputation and present themselves as**

**most ethical. In this manner they build a good corporate culture. What brings ‘good’ in**

**the corporate culture, elaborate?**

**Ans.**

Good corporate culture represents good ethics and code of conduct in the operations that company perform. Accounting for good corporate culture takes into account various factors such as:

1. CSR activity:

With good business prospects there comes responsibility towards society. Having launched certain CSR activities demonstrate social responsibility which is provisioned under law, moreover enhance the stakeholder’s interest in company. It positions the company well in society and hence generate reputation which helps in good business prospects.

1. Innovation:

Companies adopting innovative culture has an edge over others in terms of high potential employee, good business opportunity, more inclination towards R&D which leads to innovative ideas and attracting stakeholders eyes.

1. Employee welfare:

Most companies don't have the employee welfare culture and certainly loose employee interest for long-term association. Companies adopting welfare schemes maintain their employee turnover and hence helps in long term employee connection which is beneficial for the company.

1. Communication channels:

Communication channel is important for a company to survive unhealthy relations between different departments. It is of prime importance for a company to have good and sophisticated communication channel to enhance employee productivity.

1. Code of conduct of business:

Company's code of conduct plays a major role in its market image for having business. Good reputation attracts more business opportunities and hence more societal appreciation.