Business Culture the Difference between Organisational Success and Failure: Selected Global Countries Expectations

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Abstract: Developed economies have demonstrated their astuteness and prowess on the reinforcement of business cultures and etiquette that have contributed immensely to their businesses becoming internationally competitive and reputable. This study focused on how business culture is of significance as a barometer of either promoting organisational success or being a barrier on the international arena by collating and comparing different countries’ business cultures across the globe. This qualitative study based on the interpretivism philosophy used the triangulation approach of mainly desk research (library analysis) and interviews with some different business leaders in Zimbabwe. One of the major finding was that countries with widely known and strong business cultures had an edge in terms of getting business and even foreign investment opportunities over those whose business cultures are not known much and weak. Economies that struggle have large disparities among their different sectors on how they conduct their businesses. The study concludes that to do foreign business successfully, there is need to understand the business culture of that particular country first in order to enhance client relations and market segmentation.

Key terms
Business culture - common understanding and shared meaning on how to handle business dealings and the nature of conduct to be exhibited or portrayed.
Expectation - anticipation of certain business etiquette and behaviour.
Failure - business stagnation as evidenced by lack of growth, expansion and at times operational challenges such as loss making.
Organisational success - improvement of performance in terms of sales growth, increased market share, profit making and business growth.

I. Introduction and background

Business culture, which in the context of this paper, can be taken as the general business practices and approaches of a particular country that help potential business investors and dealers to appreciate what they should expect in that country and a key aspect of the international business environment assessment. Culture is arrangement of different attributes that express an organization and differentiate firms in one country from those in other countries (Hopkins, 2017). Business culture is the collective thinking of minds which create a difference between the businesses of one group from another (Kegan & Lahey, 2016). Business culture is made up of different values and behaviours that are considered to guide business to success (Elsmore, 2017). In international business it is gained knowledge, explanations, values, beliefs, communication and behaviours of large group of companies in a particular geographical location and influenced by policies, rules and regulations (Matthew, 2019). Business culture is integrated, with each element connected and influencing another and one cannot isolate certain aspects of it without producing a distorted viewpoint. These aspects are interlinked, directly impacting one another to create the prevailing situation (Henry, 2019; Hopkins, 2017). Business culture is learned; in fact, it must be learned and also shared (Ross, 2016). For a belief or behaviour to be considered cultural, it must be shared (Harris, Mayo, Prince&Toovey, 2013) and must be considered appropriate by the society to be a custom (Henry, 2019). Language is one of the most obviously shared elements of any business culture (Evans, 2018; Tomalin & Nicks, 2007).

Perhaps anthropology’s greatest contribution to organizational behaviour is its emphasis on the ability to facilitate the understanding of peoples in other countries or organizations (Buchanan, 2019; Lavenda& Schultz, 2010). This learning about business cultures is accomplished by noting differences in values, attitudes and behaviour (Lavenda& Schultz, 2010). Rather than focusing on the individual business, as in other disciplines, the focus here is on the macro level, as in group processes and multinational organizations (Hurt,
This business cultural understanding is particularly important in today’s workplace as different people (citizens and foreigners) learn to manage diversity and globalisation, whether one is assigned to deal with another organisation in another country or becomes a member of a virtual team (Ferraro & Briody, 2017).

The Significance of Culture

Recognizing the importance of culture in the business world is an important step towards success in the global marketplace. Understanding a country’s business culture is a sign of respect that helps to foster effective communication, which attributes to business success. Developing an appreciation of another culture does not have to be difficult. Here are some vital considerations to keep in mind (Hurt, 2016; Martin & Chaney, 2012; Ross, 2016):

- **Cultural Stories**: Each culture has underlying themes. Values and attributes such as frugality, trust, honesty, accountability and endurance may be viewed differently in other countries. In most cases, these attributes translate into varying expectations for business partnerships and negotiations mostly abroad.

- **Communication**: In many cultures, communication, including non-verbal, may be subtle and nuanced, rather than the direct approach often associated with some countries. It is prudent therefore to learn how people in targeted foreign market use words and phrases, hand gestures, body language and other cues to communicate. It is also critical to identify non-verbal gestures used in that market (country) that are acceptable and those which are not, in order to avoid offending or embarrassing a new business partner (Chawla, 2017).

- **Decision Making**: It is important to know how businesses particularly in other countries make decisions e.g. individually or as part of a large group? In some countries, it may prolong by taking months to issue a group decision on a contract, yet elsewhere, unilateral decision-making could be the accepted norm.

- **Time Perception**: It is ideal to know how potential overseas partners perceive time and deadlines. While punctuality is observed and reinforced in one culture. In other countries for a meeting, time could be considered as more of a suggestion than a hard-and-fast schedule. Similarly, some cultures may place greater emphasis on long-term planning and overall company health, viewing success not through the lens of short term fiscal reports but rather from a perspective of long term programmes such as five-year blueprints. Given the above, from a research perspective, the importance of studying the business culture enables one to look at the interactions in the global world and even the attitudes and working behaviour (Fusch & Gillespie, 2012; Mathew, 2019).

II. Problem statement

National economic growth hinges largely on fluid business practices that promote national identity and become universally known and appreciated. Such business practices are centred on business culture and etiquette, which are usually taken for granted, yet success largely depends on that. A number of developed countries have been able to market their business culture as epitomised by their approach and serious manner on how they treat business practices, yet some developing countries such as Zimbabwe seem to undermine that and instead attempt to emulate other countries’ business cultures. This lack of a shared business culture is detrimental to getting foreign business partners interested in dealing with businesses in such countries as it drowns their level of confidence.

III. Research questions

1. What is the importance of having good knowledge of a particular country’s business culture?
2. What are the key considerations or dimensions that define a country’s business culture?
3. How can comparisons between different national business cultures influence business opportunities abroad?
4. What are the major reasons affecting the understanding of business culture in some foreign countries?

IV. Literature review

The following Table 1 shows key dimensions that are considered key to defining a country’s business culture and etiquette based on desk research (secondary data) for selected countries across the globe.
<table>
<thead>
<tr>
<th>Country</th>
<th>Continent</th>
<th>General business manner</th>
<th>Dress Code</th>
<th>Greetings</th>
<th>Meetings</th>
<th>Negotiations</th>
<th>Gifts</th>
<th>Business cards</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States of America</td>
<td>North America</td>
<td>Business culture is primarily service-oriented. Americans are expected to be direct and honest.</td>
<td>Initially dress conservatively. Afterwards, you may follow the example of your American counterpart</td>
<td>Refrain from greeting that involves handshakes. Directness is expected.</td>
<td>Time is money. Professionalism is key.</td>
<td>English will be used almost 100% in business conversations.</td>
<td>Business gifts are usually presented after the deal is closed.</td>
<td>Occasional</td>
<td></td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Europe</td>
<td>The UK's business culture is one of the most developed in the world.</td>
<td>Usually formal wear is expected for business interface.</td>
<td>Mandates: finish a small talk, start the meeting should be observed.</td>
<td>Usually very formal, and meetings are expected to be of a high standard.</td>
<td>Business cards are encouraged.</td>
<td>Business cards</td>
<td>Edinburgh (2017); London (2018); Manchester (2006); Oxford (2016).</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>Europe</td>
<td>Business and management is highly formalized and institutionalized.</td>
<td>Appearance and presentation are important in Germany.</td>
<td>Making decisions is a formal process.</td>
<td>Time should be managed carefully; schedules, and appointments must be respected.</td>
<td>Gift-giving is more common in Germany.</td>
<td>Business cards</td>
<td>Germany (2019); Munich (2010); Berlin (2017); Hamburg (2015).</td>
<td></td>
</tr>
</tbody>
</table>

Table 1: Synopsis of different countries' business cultures

Business and Management Schools often adhere to strict codes of conduct and protocols, influencing the perception of the international business environment. The expectation for partners is high, and business etiquette is expected to be both formal and professional. Questions in the reaction of the counterpart are not always predictable. There is a need for flexibility to accommodate potential sensitive situations and ensure a positive outcome.

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<table>
<thead>
<tr>
<th>Country</th>
<th>Culture</th>
<th>Key Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Russia</td>
<td>Europe</td>
<td>* It is difficult to do business in Russia without the help from a local contact. Patience is important with Russians, negotiations can often be slow. One should avoid direct criticism of any sort of conflict or confrontation.</td>
</tr>
<tr>
<td>Japan</td>
<td>Asia</td>
<td>* Japan is a relationship-oriented culture more than merit oriented. It is important to know and trust someone before doing business with them. Relationships are developed through informal social exchanges and generally involve a considerable amount of eating and drinking.</td>
</tr>
<tr>
<td>China</td>
<td>Asia</td>
<td>* Business relations heavily on personal relationships and one should make sure to have some! * Government officials and top management dress formally for meetings, while businesspeople often dress more casually. * Meetings often start with handshakes followed by saying &quot;one's name closely, organization and post.&quot; * Chinese refer to their company first, then their name, and then their name during introductions.</td>
</tr>
</tbody>
</table>

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- The act of handing out business cards is quite a common and important action in Russia.
- In Japan, business cards are considered one of the most important elements of a business relationship and often retain the place of a business card holder in the relationship.
- In China, business meetings can be long and intense, often lasting for hours. Meetings are considered a time for social interaction, and it is common for businesspeople to bring snacks and drinks to share.

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<table>
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<th>Country</th>
<th>Area</th>
<th>Notes</th>
</tr>
</thead>
</table>
| India | Asia | *Hindus are strongly tied by their respective religions and their shared values.*  
  *Respect for elders and hierarchy are core values that permeate all aspects of Indian society.*  
  *Conservative, professional attire is expected in the business setting with variations through regions.*  
  *Women should avoid wearing short outfits or exposing their shoulders.*  
  *In a first meeting, one should set the Indian host guide the initial stages of the conversation. One should be punctual for formal business meetings.*  
  *Indians like to develop personal connection first and no business meetings by getting together in the heart of the negotiation but instead in person, gatherings and social activities outside of business.*  
  *There are no costs involved but should be only offered small gifts if they are liked.*  
  *Business cards are essential and should communicate your company, company, position, and email address, all in English.*  
  *One should have a higher degree e.g., masters or a PhD, on the business card, as it seems great respect in India.*  
  *After receiving a business card, one should read a few moments examining it, providing positive feedback with a smile.*  
  *One should always have cards translated into Chinese on one side.* |
| Brazil | South America | *Brazilian business is hierarchical.*  
  *The final decision is usually made by the highest ranking person, therefore, it takes some time to make a deal.*  
  *It is important therefore to dress neatly and conservatively. Three-piece suits indicate a more executive-level status.*  
  *Greetings involving women will always include shaking of both hands.*  
  *Handshakes are usually reserved for men.*  
  *It is customary to shake hands with everyone present both upon arrival and when leaving the room.*  
  *Businesses and back-shaking are also quite common.*  
  *Businessmen may relax but should try to come on time. *  
  *Conversation topics are football, family music and its beautiful churches.*  
  *Good conversation topics are political, poetry, religion and modern American art.*  
  *Always, it is not common to ask personal questions, such as age, salary, marital or job status.* |
| Egypt | Africa | *Traditional culture greatly influences Egyptian business values.*  
  *Egyptian culture is influenced by family and friends.*  
  *Most workplaces require men to wear suits and ties.*  
  *Women should dress conservatively, skirts should extend below the knee.*  
  *Once should eat for the host or counterpart to initiate meeting.*  
  *Business meetings are infrequent so offer coffee and tea and once should always accept their offer, even if it’s not particular your taste.* |

**References:**
<table>
<thead>
<tr>
<th>Country</th>
<th>Business etiquette</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>An attitude of South African culture makes the difference between a successful business meeting and a deal gone bad.</td>
</tr>
<tr>
<td>Australia</td>
<td>Like the British, Australians are modest and do not like people bug themselves or their business. Of course, one should tell the truth.</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>Business etiquette in Zimbabwe is highly similar to business etiquette in most EU countries particularly the UK.</td>
</tr>
</tbody>
</table>

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- **South Africa**: Among business associates, it is preferable for women to wear suits and ties, rather than dresses. Contracts are not formal, so one should be relaxed and casual when ignoring a potential client or business partner. One should stick to a polite “Hello” and follow with standard English terms.
- **Australia**: A business person should make a comment or joke in an effort to break the ice and encourage discussion. Compliments are very honest and can lead to a business meeting. Businesses are very blunt and to the point, and do not want to spend months discussing the terms of a business relationship.
- **Zimbabwe**: A business person should not be too aggressive, as Zimbabwe has a culture that values tolerance and open communication. A business person should be calm and composed, and should not make any unwarranted assumptions about the business relationship.

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V. Methodology

The research was purely qualitative and adopted the interpretivism philosophy (Markey & Gass, 2016; Merriam & Grenier, 2019) anchored on the use of the triangulation technique that comprised the use of desk research (secondary data) and interviews. The key informants interviewed, as well as, the sampled countries were selected using the judgemental sampling technique (Flick, 2018; Hennink, Hutter & Bailey, 2020; Leedy & Omrod, 2016). The content analysis was used to analyse the data and complimented by narrative statements in order to buttress some of the findings (Cresswell, 2014; Silverman, 2016; Hennink, Hutter & Bailey, 2020).

VI. Findings

Importance of knowing a particular national or country business culture

- influences how people from different nationalities can interact with each other.
- guides decision-making, behaviour, thinking patterns and values.
- determines business relationships which are pivotal to future or long-term deals.
- influences marketing strategies.
- guides how negotiations can be done in order to reach an amicable solution.

Key Informant 1 said ‘International business success hinges on the ability to understand and sustain culture developments in those countries that create opportunities to do business with’.

Key Informant 2 said ‘Understanding a foreign country’s culture helps one to ascertain the probabilities of doing cordial and effective business as one would be already aware of the counterpart expectations’.

Key variables that define a country’s business culture

The six major variables dimensions that should be considered are; dress code, greetings, preparation and conduct of meetings, negotiations, gifts and business cards.

Key Informant 3 had this to say ‘Key areas that impact on international business hinge on the language you use with a foreigner, body language, and business acumen that should convince the other party’.

Different cultures on business opportunities abroad

Culture profoundly influences how people think, communicate, and behave when conducting business abroad. It also affects the kinds of transactions they make and the way they negotiate them as epitomised by:

- Negotiating goal (contract or relationship?)
- Negotiating attitude (win-lose or win-win?)
- Personal style (informal or formal?)
- Communication (direct or indirect?)
- Sensitivity to time (high or low?)
- Emotionalism (high or low?)
- Form of agreement (general or specific?)
- Building an agreement (bottom up or top down?)
- Team organization (one leader or group consensus?)
- Risk taking (high or low?)

Key Informant 4 had this to say ‘Apart from culture there are also considerations of perceptions about business prudence and professionalism, as well as, country image (political risk) which should also be considered when exploiting business opportunities abroad’.

Major reasons affecting the understanding of business culture in foreign country

These include mainly:

- Language barrier.
- Strenuous government bureaucratic tendencies resulting in loss of patience.
- Too much formalisation of business procedures and processes.
- Discriminatory tendencies culminating in undermining one’s country of business origin.
- Host country international business policies.

Key Informant 5 said ‘There are a number of factors that affect comprehension of a foreign country’s business culture which even goes back to trading patterns during pre-colonial era, impact of global technological developments, individual country perceptions and attitude, religious tolerance’.
VII. Conclusion

Despite people from different business cultures conducting business, in the international business context, mutual understanding of each other's business culture is fundamental for business success. There is need to understand the business culture and etiquette of a particular country that any firm intends to invest or market its products or services in such a country. Knowing and practicing common customs will also help one to relax, avoid embarrassment and focus on the matters at hand on critical occasions. Knowing business culture can also help to do market segmentation and improve customer/client relations in light of globalisation.

References