

**Abstract:-**

Business all over the world today is extending their frontiers beyond domestic markets. As the world economy is globalized the companies are expanding their business in international markets for business profitability. In this global business environment, cross culture dealings becomes a common field of research. This is primarily due to the fact that the dealing parties are often from different countries with different cultural views and beliefs which they usually bring with them to the dealing dais. The purpose of this paper is to examine the effect of culture on dealings and also focused on the strategies to cope up with this problem of cross culture dealings. The research design used is conceptual design i.e., the study will be based on

## **A STUDY ON CROSS CULTURAL PROBLEMS FACED BY PARTIES DEALING IN INTERNATIONAL BUSINESS**



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from magazines, journals, internet and reports. These tools helps to conclude the objective of the study as well understanding, accepting and respecting the cultural values of the other parties is very important and it will lead to a more successful outcome.

**Keywords:**

Problems faced by multicultural parties,functioning, effective management, organization and team levels.

## INTRODUCTION

The companies are making their presence felt in various countries as the world economy is globalized. With the globalization of product markets where a growing number of business transaction involving foreign customers, suppliers or joint ventures, cross culture dealings takes place daily all over the world. These people have different background and different way of communicating with each other. As a reason, misunderstandings crop up easily during communication in these settings. To be successful in the dealings, the parties must not only have good knowledge of the business but also a good avarice of the cultural and economic background of each other. Dealing with cross culture is not of reaching a general agreement or maximizing one's position, it is about the respect of the usual behavior of the dealing parties and establishing a long term relationship for business. The purpose of this paper is to critically examine the effect of culture on international business dealings. This is very important because even though both parties fully understand the facts of the business, other parties like words spoken or actions may adversely affect the outcome of the dealings. An analytical approach is applied in this research about cross culture. It is relevant to state at this point that this research does not provide guidance to how to deal with people of different cultures on a country by country basis. It however focuses on the skills necessary to deal globally.

## OBJECTIVES OF THE STUDY:

Every study is done to accomplish some objectives. Similarly, this study also has the objective on which the research will work. The objectives determined for this study are:

1. To study how parties function in a multicultural environment.
2. Analyzing the problems faced by the cross cultural dealings.
3. To understand how to create effective management of multicultural dealings.

## Research design:

In this study, conceptual research design is used. This research study is based on secondary data i.e., review of papers in journals, magazines, internet and reports.

## Review of literature:

There are many researches done on cross culture dealings with different objectives. All states that there are many issues faced by parties while dealing with cross culture. They also explain how parties manage the functions of multi-culture. This study will observe the past experiences and researches to analyze the objectives of the study.

## Culture:

Culture has been defined by many people in geographical terms but culture is much more than the characteristics of nations. Culture is a unique characteristic of a social group. It is set apart from other social groups by its members. 'Culture is not something tangible', it is a not a product owned similarly by every member of neither a community nor it is a set of pleasing customs to be learned before a trip to abroad. Rather, it is said to be shared "common sense..." "the kingdom of the specified and the true ones," that shapes a categorized view of the world, enabling it to live together and exist in a certain natural environment. In truth, culture allows community, because without it, coordinated activity, communication, social life would be unendurable, culture in short, rests on shared expressiveness, permitting members of a group to notice, interpret, assess and act on in both external and internal reality. In short, culture is the reckoning of the total aspects of learnt meanings, norms, customs and values shared by a society. Owed to the fact that all negotiations take place in a socio-cultural environment, the culture of such a place will greatly influence the way the negotiations, act, react, or notice communication, both verbal and non-verbal during negotiations. It is important that one appreciates and develops suitable responses to negotiate an international business transaction successfully. Perception into these usual behaviors is vital to the negotiation, documentation and performance of every type of transactions taking place internationally.

## Problems faced by cross-cultural parties:

Participants from one culture are unable to understand culturally determined differences in communication practices, traditions and thought processing are the often arising problems in business communication conducted across cultures. Problems crop up when one or more people are involved in the business at the most fundamental level.

The communication process in international business settings is filtered through a range of variables, each of which can color perceptions on the part of both the parties. These include language, environment, technology, social organization, social history, conceptions of authority, tastes and values and

non-verbal communication behavior.

By assessing in advance, the roles these variables play in business communication, one can improve one's ability to convey messages and conduct business with individuals in a wide range of cultures.

#### **Language:**

Language plays a vital role in communication of international business arena and also language itself acts as a greatest barrier in cross cultural business. The use of different languages in different countries, the use of accents and dialects in one language itself creates problems to cross cultural parties.

It is inevitable to underestimate the importance of linguistic difference that plays in international business communication and hence the business consultants counsel clients to go for the services of a good translator.

As pointed, attitude towards earlier accents and dialects create barriers in international business communication. The view that a particular accent suggests loyalty or familiarity to a nation or region is widespread in many languages. The use of Mexican Spanish in Spain, Parisian French in Quebec or sub continental Indian English in the United States are all noticeable and may suggest lack of familiarity even the user is fluent. More importantly, regional ties or tensions in such nations as Italy, France or Germany among others can be suggested by the dialect a native speaker uses.

#### **ENVIRONMENT AND TECHNOLOGY:**

The ways in which people exploit the available resources in their environment may vary considerably from culture to culture. Also, the deeply embedded natural and technological environment can create barrier to communication.

The several environmental factors can heavily influence on the development and character of cultures. The history of current conditions of regions or individual nations can be cited with the climate, topography, population size and density and relative availability of natural resources etc. The topography and climate majorly affects the notions of transportation and logistics, settlement and territorial organization. For example, a mountainous country with an abundance of natural waterways will almost certainly develop different dominant modes of transportation than a dry, land- locked region marked by relatively flat terrain. Whereas the former nation would undoubtedly develop shipping oriented transportation methods, the latter would concentrate on roadways, railways and other surface-oriented options.

#### **SOCIAL ORGANISATION AND HISTORY:**

Social organization of a business influences the cultures widespread. Issues such as nepotism, kinship, educational values, class structure and social mobility , job status, economic stratification, religious ties, political affiliation ,racism ,gender differences and other prejudices, attitudes towards work etc. pertaining to a nation or region should not be considered as universal aspects in terms of international business.

Differences in social organization of business builds barriers to business communication, getting rid of which is difficult as it is clearly noticeable. To succeed in business arena, one is obliged to work within the restraints of cultures therein. It is important to note that it is not easy to impose one's own values on culture and expect to bloom in the business arena.

#### **CONCEPTIONS OF AUTHORITY:**

The attitude towards authority and distribution of authority in the society is often different in different cultures. The view of authority in a given society often majorly affects the communication in business environment .Since this majority contributes to the view of how a message is often received based on the relative status or power or rank of the message senders.

#### **TASTES AND VALUES**

Tastes and values is another dimension a businessman has to cope with cross culture practices as it is that aspect that changes dramatically from culture to culture, place to place.

#### **NON-VERBAL COMMUNICATION:**

A businessman should take time to learn the prevailing attitude and non-verbal behavior, as it is one of the clearly noticeable varying dimension of cross culture. What a person says-conveyed by the knowledge of culture forms only a small portion of what the person has communicated. But indeed, body language, clothing choices, eye contact, touching behavior and conceptions of personal space all communicate information, no matter what the culture is. When a businessman has to conduct his business

in unfamiliar culture, he has to study the non-verbal communication.

### FUNCTIONING WITH MULTI-CULTURAL PARTIES

The changing culture plays a major role in conduct of a business and consequently managerial, sales and technical personnel are to be trained to manage the difficulties and conflicts that are likely to arise in cross cultures. Only when this is given importance, the business relations can be enhanced. Further, only when we learn to see issues from different angles by combining culture perspectives and finding solutions to problem, a business in general can be enhanced

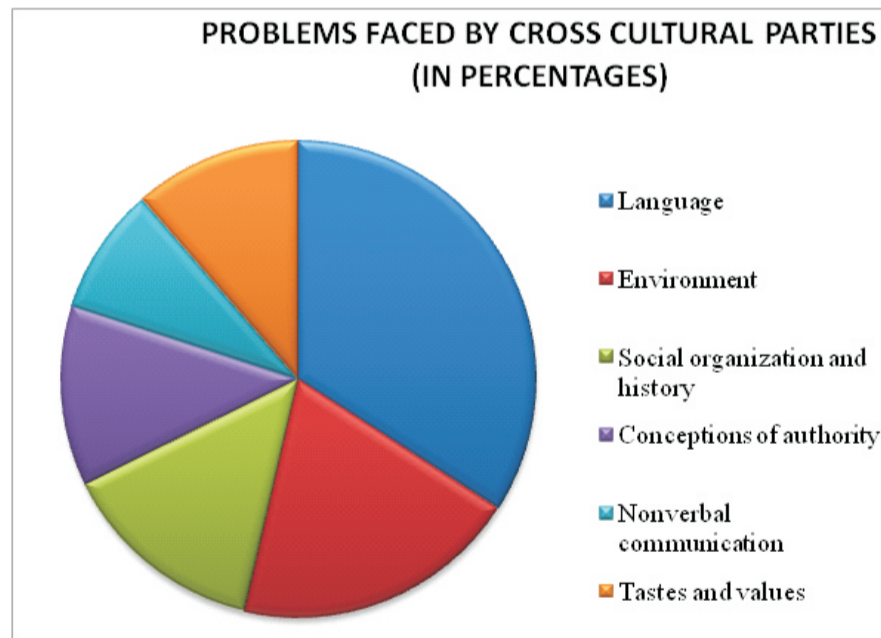
Some of the general guidelines to manage these groups are-

- Work carefully through issues to avoid misunderstanding.
- Establish clear contracts between the dealing people to gain agreement on all values that will guide the group work and its relationships.
- Reducing degree of barriers.
- Requirement to get aware about the cultural and ethical differences of group members.
- Learning basics of language present in the group helps dealers to build a bond with the groups.
- It really pays to begin clarifying how to intend to lead the group.
- Multicultural groups will face diversity and need to lead the group. Valuing the differences between parties is the basic survival requirement.
- Use of visual aids like pictures in a multicultural team to communicate important points so that the group can easily relate them better.

TABLE SHOWING PROBLEMS FACED BY CROSS CULTURAL PARTIES

PROBLEMS FACED	PERCENTAGE (%)
Language	75
Environment	43
Social organization and history	31
Conceptions of authority	27
Nonverbal communication	19
Tastes and values	25

CHART SHOWING PROBLEMS FACED BY CROSS CULTURAL PARTIES



By the conceptual study on the problems faced by the parties dealing in culture in international business, it has been found that the two major problems viz., language and environment acts as important problems which carries 75% and 43% respectively. Similarly, social organization and history, conceptions of authority, nonverbal communication and tastes and values carries 31%, 27%, 19% and 25% respectively

which represents the other problems faced by the cross cultural parties in international business.

#### **EFFECTIVE MANAGEMENT OF MULTICULTURAL TEAMS:**

To support the effectiveness of multicultural teams, a culturally competent organization has to be setup, which cannot be done overnight. Overtime, changes can be made on different levels throughout the organization.

#### **AT ORGANIZATION LEVEL**

Acknowledgement of historical dates or important festivals for cultural groups represented in the work force.

Train and educate the key staff regarding the cultural differences so that issues related to cultural differences may not arise.

Practice professional training and coaching of key staff to develop relevant cross-cultural skills by making self-assessment of their cultural assumptions, norms and behaviors.

Group leader should be mindful of the source and medium of company communications.

Do not underestimate the importance of cross cultural competence from vendors especially vendors who interact with the work force.

Senior management should model an attitude of respect towards cross-cultural competence.

Review recruitment strategies and adapt where needed.

Cross cultural consultancies are involved in aiding companies to find solutions to the challenges cross cultural differences carry .Cross cultural consultancies concentrate their efforts on interpersonal communication.

#### **Cross cultural consultancies -**

Offer advice on a number of areas including recruitment, relocation and staff retention and training programs.

Provide tools and methods to promote staff integration, reduce cross cultural conflicts and build team spirit.

Equip the trainee with the adequate knowledge to deal comfortably with the people from different cultures, avoiding misunderstandings and mistakes.

Examine words, images, pictures, colors and symbols to ensure they fit well with the target culture.

#### **AT TEAM LEVEL:**

The work environment always demands flexibility; hence flexibility is the key to working in a multicultural environment.

Understand the different cultures and respect those differences.

Do not generalize the stereotypes which are quite often fallible.

Regardless of the religion, ethnic or cultural background of a person, everyone has to be treated 'fairly'.

Convey your desire to be sensitive to another's culture early enough.

Develop the quality to listen to what others think rather than speak what you think.

Do not create communication gaps with respect to differences of culture or values.

Share your own views and give people a chance to communicate theirs.

Find out what motivates the individuals in the team and solve the problems in workplace through intelligence.

Create cognizance among the team members about the diversity of the team and workplace problems such as racism etc.

Periodical work environment reviews can be had to find out the problems people face in the office.

Create an environment among team members to increase their willingness to hear and accept feedback from others about their conflict resolution challenges.

Notify the team members that conflict is due to the differences in needs, objectives and values.

Counsel team members on group mechanics, communication styles, norms, values and integration processes.

Build relationships with community groups representing cultures found in the work force.

Knowledge of the country's history, culture, laws, tradition, business practices and social etiquettes all help to minimize the impact of culture shock and hence smooth their transition overseas.

#### **FINDINGS AND CONCLUSIONS:**

Liberalized markets and globalized world economy hire manpower from other countries to expand their operations in those countries. Therefore it is found that cultural differences are the problems that managers face while working with cross-cultural teams in international business. The researcher has focused on effective management of multicultural teams at two levels –At organization level and at team

level; and also on the problems that are faced by cross cultural teams and the strategies used by team leaders to solve the problems. Difference in cultural background of teams, different ways of communication and different working styles of individuals of these teams are the reasons for cultural barriers in international business.

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