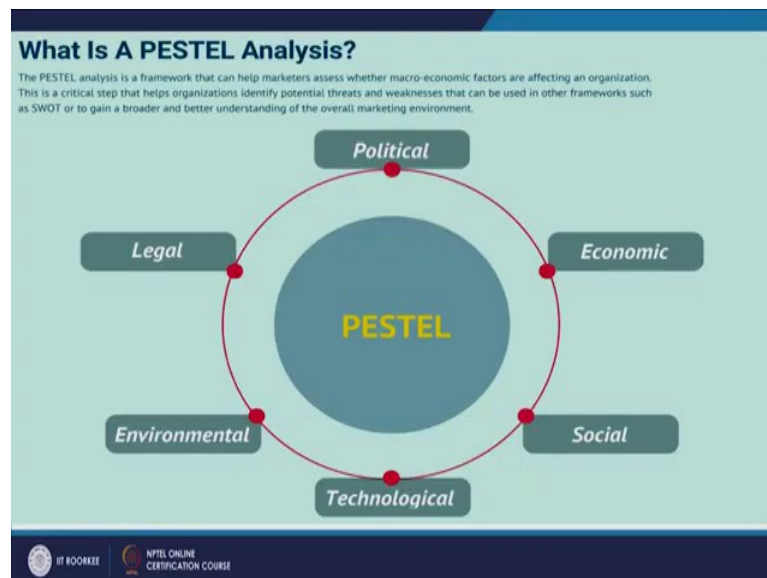


International Business
Prof. J. K. Nayak
Department of Management Studies
Indian Institute of Technology, Roorkee

Lecture – 17
Language, Religion, Behavioural Practices, Communication

Welcome everyone to a course of International Business. So, in the last class, we had started with the international business environment, and we learnt about the PESTEL analysis right.

(Refer Slide Time: 00:33)



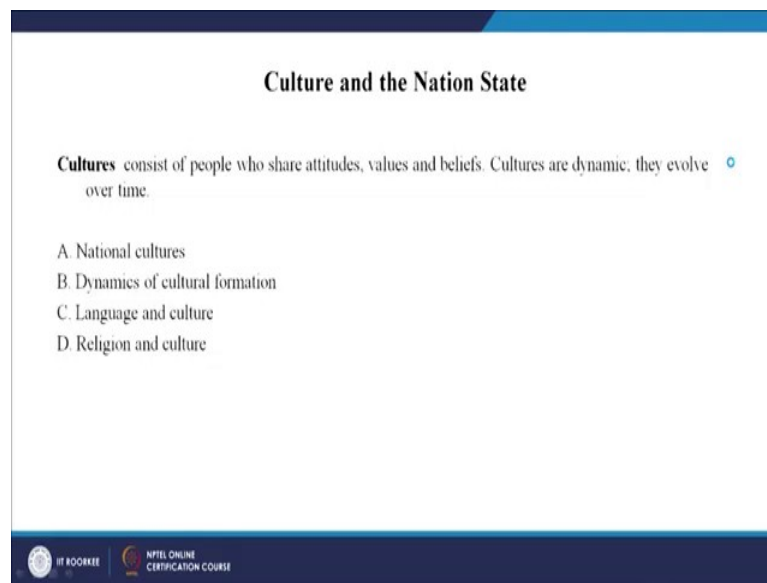
So, PESTEL analysis is one important way of understanding the external environment, where we talk about the political, economical, social, technological, legal, etcetera, the different dimensions that impact any business environment ok. And we started with culture, and what is culture, and what are the different components of culture, and how culture affects a different business. In which one example so I had cited about how the culture of Indians was a problem for a company like you know Kellogg's to sell its you know brand of corn flakes in the Indian market.

So, many a times the when very interesting another thing that I remembered about culture is in India for example, when you are selling a car, Maruti started this concept of providing you know priest who would be doing some rituals, puja (worship) and then breaking a coconut in front of the car. So, this attracted many Hindu you know car

buyers, because they felt that a puja or a worshipping to the car is very necessary is an is that very important thing because after all a car is linked with somebody's life and death, and even you know it can one can make accidents and all these things can happen.

So, if you do a ritual pooja a worship it by offering a coconut, flowers and all these things, then the deity will be happy, the God will be happy, and then you will not suffer from such kind of problems.

(Refer Slide Time: 02:09)



Culture and the Nation State

Cultures consist of people who share attitudes, values and beliefs. Cultures are dynamic; they evolve over time.

- A. National cultures
- B. Dynamics of cultural formation
- C. Language and culture
- D. Religion and culture

IT ROOKIE | NPTEL ONLINE CERTIFICATION COURSE


So, of continuing from there, we will talk about the another concept which is called the culture and the nation state. Now, when we talk about culture, we understood about the role of people, awareness, and all these things. So, culture consists of people who share attitudes values and beliefs. Cultures are dynamic in nature, it is not that it is a static thing, it changes with time right. So, they evolve over time. So, there are you know national cultures, dynamics of cultural formation, language and culture, religion culture, there are four things that we will talk about on this point right.

(Refer Slide Time: 02:42)

A. National cultures

- The nation is a useful definition of society because similarity among people is a cause and an effect of national boundaries
 - laws apply primarily along national lines
 - language and values are shared within borders
 - rites and symbols are shared along national lines
- Managers find country-by-country analysis can be difficult because
 - Subcultures, ethnic groups, races and classes exist within nations
 - similarities link groups from different countries
- Need to focus on **relevant groups** ✓

for example: when scientists at **Britain's Cambridge University** and the **United States' MIT** set up a joint venture to improve the impact of teaching and research, the venture struggled- not because of differences in national or even professional culture but because of different organizational cultures.



III SEM
NFTEL ONLINE
CERTIFICATION COURSE

So, first when we talk about national cultures, so what it is saying? A nation is a useful definition of society, because similarity among people is a cause and an effect of national boundaries; the laws apply primarily along the national lines; language and values are shared within the borders; and rites and symbols are shared along the national lines. So, what happens is one when a firm wants to entered into a new country, it has to understand the national culture.

Sometimes managers find country-by-country analysis is very difficult, because the subcultures, or ethnic groups, races and classes exist within nations also. That means, now suppose somebody wants to come to India, India is not one market right; India is again divided into several states and many of these states have different cultures right. So, all these things when you do not get understand well about India, then they say India is a very tough market; although it is a very attractive market, but it is a very tough market too because of the huge diversity in India ok.

So, similarities link groups from different countries. So, what is, what it says is the need to focus on the relevant groups. For example, when scientists at Britain's Cambridge University and the United States MIT set up a joint venture to improve the impact of teaching and research, the venture struggled, why not because of the differences in national or even professional culture, but because of different organizational cultures. So,

the organizational culture at you know Cambridge university and MIT is so different that because of this there was a clash right ok.

(Refer Slide Time: 04:22)

B. Dynamics of cultural formation

- Cultural value systems are established early in life (e.g. parent to child, teacher to pupil, leader to follower etc.) but may change through
 - **Choice** (May occur as a reaction to social and economic situations)
For example, when rural people choose to accept factory jobs that don't allow the sort of work time social interaction that farm work allow)
 - **Imposition**
 - ✓ cultural imperialism (imposed introduction from an alien culture by forced change in law). British rules in India
 - **Contact with other cultures**
 - ✓ cultural diffusion (contact among countries bring change)
 - ✓ When this change results in mixing cultural elements, known as **creolization**
 - ✓ Permission to drive cars by ladies in Saudi.

IF ROORKEE | NPTEL ONLINE CERTIFICATION COURSE

What are the dynamics of cultural formation? So, cultural value systems are established early in life. We all know when you know and it passes from parent to child, teacher to pupil, leader to follower, etcetera, but it also changes with time right, because we say its dynamic in nature through choice. It may occur as a reaction to social and economic situations.

For example, when rural people chose to accept factory jobs that do not allow the sort of work time social interaction which is a generally a phenomenon you find in the farm that farm work over allow, so there came a change in their culture right.

So, when they accepted factory jobs, their earlier way of living when they used to interact with their fellow members, there you know people in the village and you know they spend time and talk and all, these things got effected. So, the kind of social culture that changed ok.

Imposition – cultural imperialism, now this is imposed introduction from an alien culture or it is imposed during you know from an alien culture by forced change in law. For example the British rules in India. Still today we are following certain most of our you know legal policies and guidelines have been made on basis of the British law right of

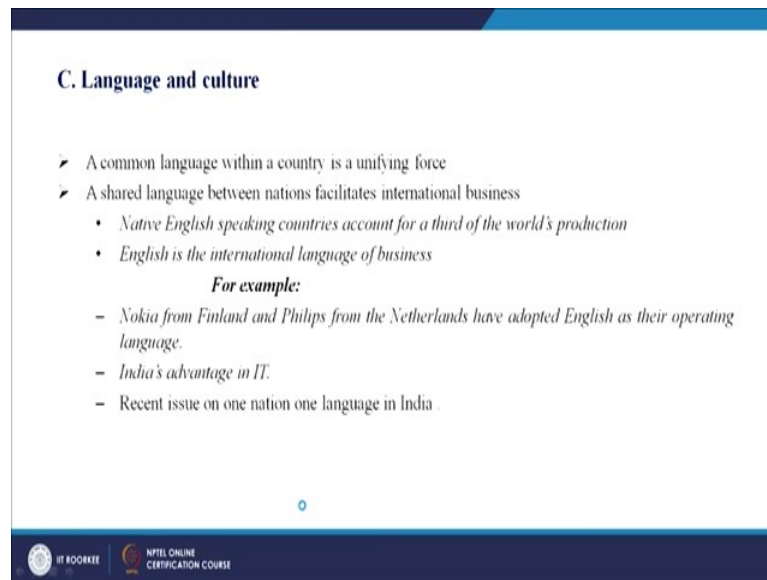
even our the way we drive, the way we you know the roads are made they are also dependent or finally they are connected with the you know Britain or the British rules right.

So, this is because India was a colony to the British Empire. So, because of this cultural imperialism or because of this colony or thing that happened, there is a cultural imperialism. And we are we have imbibed lot of culture of the British's some somethings have been in a favour also, I am not denying that, but then that we have imbibed them, and we are now following it right.

Contact with other cultures. So, cultural diffusion for example, contact among countries bring change. So, when because of globalization and opening up of the world economy, when we talk about when countries started moving from one place to the other, or the companies moved from one place to the other, not obviously countries do not move the companies move. So, what happens has happened is because this has created a different diffusion in the culture right. This change results in mixing cultural elements which is known as **creolization**.

So, what is creolization? The mixing of the cultural elements right, so different you go to some other country, you take your culture to that country, and learn something out there. And when you come back you bring that culture to this your own home country. So, these are some of the changes that happens. Example you see recently the females, the ladies were given permission to drive cars in Saudi right; earlier it was very difficult thing to even think of right.

(Refer Slide Time: 07:25)



C. Language and culture

- A common language within a country is a unifying force
- A shared language between nations facilitates international business
 - *Native English speaking countries account for a third of the world's production*
 - *English is the international language of business*

For example:

- *Nokia from Finland and Philips from the Netherlands have adopted English as their operating language.*
- *India's advantage in IT.*
- *Recent issue on one nation one language in India*

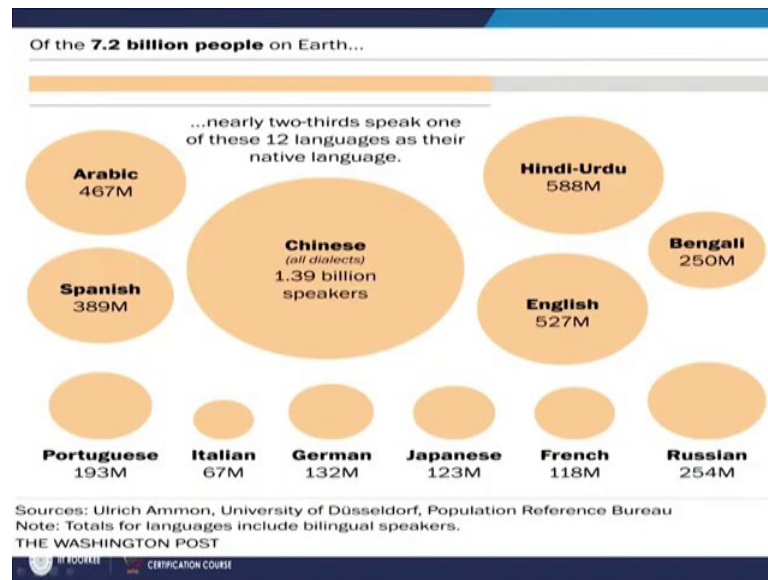
U B ROORKEE NPTEL ONLINE CERTIFICATION COURSE

Language and culture – how language and culture are connected? A common language within a country is a unifying force. A shared language between nation facilitates international business correct, because it is the only it is the mode of communication. Native English speaking countries account for a third of the world's production. What do you saying, native English speaking countries account for a third of the worlds production. English is the international language of business. For example, Nokia from Finland, and Philips from the Netherlands have adopted English as their operating language right.

Why did India had an advantage in IT, because India has a large amount of number of people we will speak you know English. And how did that come, because we were under the colonial rule right under the British Empire. So, we had schools where English was taught. And this continued in and became a part of our culture right.

Recent issue there was a recent issue, and in which the home minister talked about one nation one language. Why the home minister, there has been discussion over it many times. So, one nation, so there should be one language, but then there was lot of heated arguments over it. For example, some people argued that in the south, for example, south of India for example, Tamil is a language which is more older than Hindi, and could be. So, such kind of arguments go on and this one nation one language concept was criticized largely right

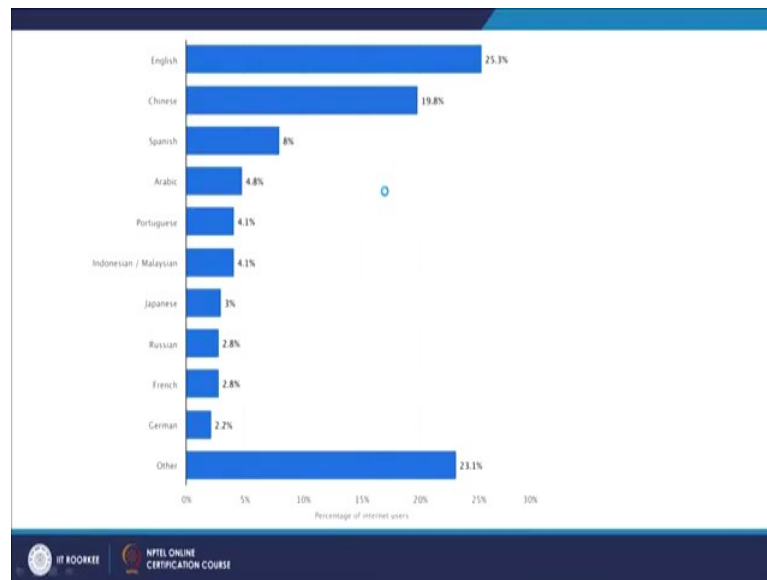
(Refer Slide Time: 08:59)



So, this is how the world population is, and you see these are different major languages being spoken in the world. So, nearly two-thirds speak one of these 12 languages as their native language, Arabic, Spanish, Chinese, Hindi, Urdu, Bengali, English, Russian, French, Japanese, German, Italian, Portuguese. Now, you can see easily that Chinese is the highest, because obviously the population of china is the highest, but which is a the local language Mandarin called in China right.

But if you look at the output based, English has the highest output because in most of the business platforms and during business when businesses made, the growth or the output is measured is through the most of the business is done through the English language, using the English language. So, in terms of output, English has the maximum impact ok.

(Refer Slide Time: 09:57)



So, this is one another diagram which tells you about the percentage of internet users, and what language to the internet users use. And today you can understand that most of the dealings are being done through the net right, through you may send a invoice right. So, any such requirements that you send is mostly done on mail, for example. And the language which is largely used is very easily you can see here it is 25.3 which is the English right, then followed by Chinese, Spanish and it goes on right. So, the importance of language is very high on the culture.

(Refer Slide Time: 10:31)

D. Religion and culture

- Religion impacts almost every business function such as the sale of certain products.
For example :
 - McDonald's serves neither beef nor pork in India
 - In predominantly Muslim countries, Friday is day of worship and a non-work day.
- Centuries of profound religious influence continue to play a major role in shaping cultural values and behavior-
 - *Many strong values are the result of a dominant religion*
- In recent years, religious related violence has erupted in countries like India, Iraq, Sudan etc.

Another important factor that affects the culture is the religion. Religion impacts almost every business function, such as the sale of certain products. For example, you see McDonalds serves neither beef nor pork in India, because there is a large population of Hindus who do not like who do not talk about beef, touch beef even and Muslims who do not touch pork, and even Hindus also do not touch pork to my little knowledge, but I know. They most of the Hindus are generally vegetarians, and whoever there is a large chunk who are non-vegetarians also, but pork and beef are still avoided in India.

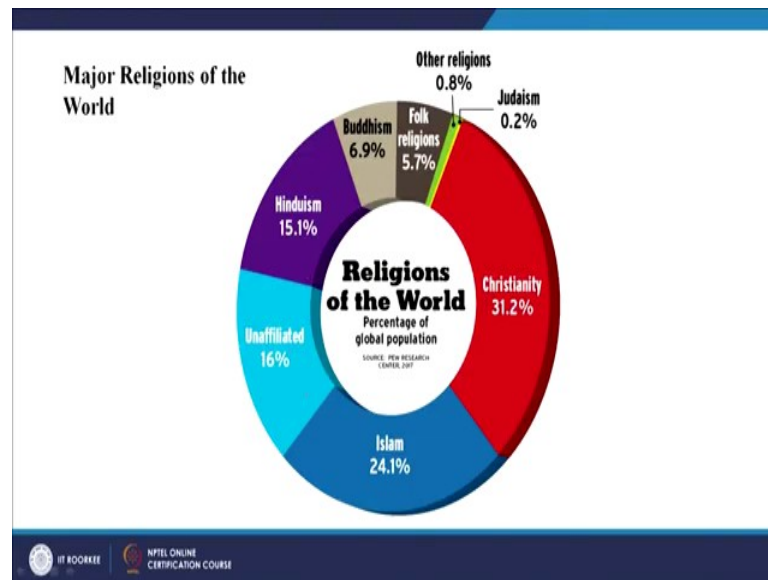
In predominantly, Muslim countries Friday is a day of worship and a non-work day right. So, religion for example, when you see for example, now we are at this moment when I am standing here, and we are we are having the Durga pooja right. We are having the Navaratri the durga pooja coming. And there is because of this the large retailers like Amazon, Flipkart and others have started you know their festive offers.

So, this has suddenly increase the business environment in India. So, lot of businesses are happening on the you know through the through these retailers right. This is all because of the religious impact right. Similarly, many of the movies get launched during EID right. So, because that is a festive time begin

Centuries of profound religious influence continue to play a major role in shaping cultural values and behavior ok. Many strong values are the result of a dominant religion in that place. In recent years religious related violence has erupted in countries like India Iraq, Sudan.

So, all the time we cannot talk from a positive point of view, but because of you know very strong fundamentalist behavior or very you know very obsessiveness, we also get into violence and all these things that happens in countries so which is not good for a business environment as a if you look from a business environment point of view.

(Refer Slide Time: 12:37)



So, the major religions of the world are Hinduism, Christianity is the highest with 31.2 Islam 24.1, and there are other religions. So, these are the Buddhism is 6.9, and there are other religions also. So, this is the first – this is the biggest, second, and third right.

(Refer Slide Time: 12:56)

Influence of behavioral factors on a countries' business practices

I. Social Stratification ✓

It is a kind of social differentiation whereby members of society are grouped into socioeconomic strata, based upon their gender, occupation and income, wealth and social status, or derived power (social and political). Social ranking is determined by

- an individual's achievements and qualifications
- an individual's affiliation with, or membership in, certain groups

Group Affiliations Can Be:

- Ascribed group memberships include those based on gender, family, age, caste, ethnic, racial, or national origin. Ex- female foeticide. ✓
- Acquired group memberships include those based on religion, political affiliation, and professional and other associations.
- Education level and social connections are important.

III ROOREE NPTEL ONLINE CERTIFICATION COURSE

Now, what is the influence of behavior behavioral factors on countries' business practices? This is of most importance to us. So, first is social stratification. Now, what do we talk about social stratification? So, what do you say, what is this? It is a kind of social differentiation whereby members of the society are grouped into socioeconomic strata,

based upon their gender, occupation and income, wealth and social status, or derived power right.

So, social ranking is determined by an individual's achievements and qualifications; an individual's affiliation or with membership in, certain groups right. So, for example, you see group affiliations can be ascribed group membership include based on gender, family, age, caste, ethnic, social racial or national origin.

Example, you see some of the places female foeticide is very high right, in some countries especially in some pockets of India also the female foeticide is very high. Why, because people want a male child right. And this has been such a, you know I can easily say bad thing that has had a very adverse effect on the India Indian you know condition. So, this is because people believe that male is a superior gender right.

So, similarly there are other things like caste, I would say one of the most the worst thing that India is going through is caste based violence or caste based differences right. Caste itself is not bad, but caste based differences is obviously, bad and I can speak bluntly on that right. Acquired group memberships include those based on religion, political affiliation, and professional and other association.

So, maybe somebody is a member of let say somebody some saints bhakth you know or a follower of some saint, and somebody follows some other saint, or somebody follows some political leadership somebody follows somebody else right. So, these are also kind of affiliations that happen.

Educational level and social connections are also important. Even today people talk about I am from let us say the IIT, so I would say my affiliation with IIT is very strong and especially IIT Roorkee, so maybe with other IITs also I would feel a stronger you know connection right.

(Refer Slide Time: 15:18)

2. Work Motivation

The motivation to work differs across cultures

Research shows

- the desire for material wealth is a prime motivation to work
 - promotes economic development ✓
- people are more eager to work when the rewards for success are high ✓
- ✓ **masculinity-femininity index**
 - high masculinity score (Japan, Austria) prefers "to live to work" than "to work to live". Ego oriented and material success is important
 - In high feminine case it is relationship oriented and here quality of life and people are important. Ex- Sweden, Norway and Denmark.
- The productivity-leisure trade-off
 - Japanese spend more time on work than workers in any other developed country (Karoshi)

At the bottom of the slide, there are logos for 'JIT ROORKEE' and 'NIEL ONLINE CERTIFICATION COURSE'.

Work motivation – the motivation to work it differs across cultures. Research shows that research shows that the desire for material wealth is a prime motivation to work. So, what did you saying? The desire for material wealth is a prime motivation. It promotes economic development; people are more eager to work when the rewards for success are high right.

So, one thing that comes when we talk about work motivation, then the term which is important closely related is the muscularity-femininity index. So, high masculinity score, for example, countries like Japan and Austria have a high masculinity score. What does it mean? They prefer to live to work. So, they live to work. So, work is very important for them. Then for some others who work to live, they work to live right. So, when it comes to the first case high masculinity ego oriented and material success is very important right.

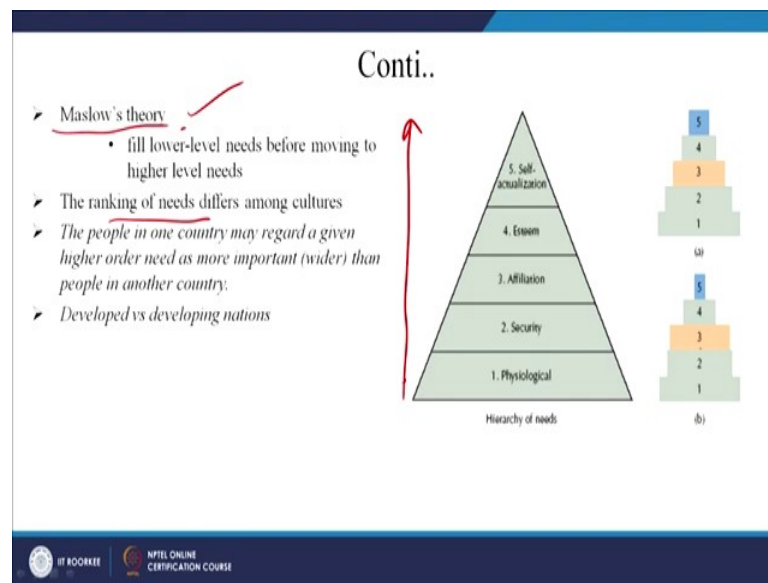
In this other case when they live to work which is more in a high feminine case, it is relationship oriented society. And here quality of life and people are important example Sweden, Norway and Denmark. And you can see if you talk about the quality of life in these countries, they stand at a very high position.

Similarly, on terms of productivity and leisure trade off, Japanese spend more time on work than workers in any other developed country. Even there is to their discredit there

is a term called Karoshi which they means that the Japanese sometimes use to do you know harm themselves by overworking.

So, they harm themselves by over working, and that is why now the government in you know Japan, the most of the industries in Japan they ensure that that people leave their offices on right time right. And for you will be surprised to know, they even use drones to track whether people have left offices or not. So, this is the kind of culture right

(Refer Slide Time: 17:21)



One important theory when we talk about you know culture and all, comes to is the most Maslow's hierarchy theory. So, what it is says people tend feel lower level needs before moving to higher. So, this is the lower level. So, generally people move like this right. So, slowly one step at the then the next and next it goes on so, but the ranking of this needs differs across cultures right.

For example, in one culture, you can see here if you see the if you look at the width you know of 3 here and 3 there is different. 3 has a larger wide width here in this case, and less here; 5 is less width wide here and more here right. So, it depends on the kind of country. The people in one country many regard given higher order need as more important that is more wider than people in another country

So, you can see this in the developed and the developing nations. So the developed nations they would go for the physiological needs are already met. So, it is not a very

important. But in a country like you know developing nation like Bangladesh, Pakistan and all, so where the physiological needs are very important, and then they go across the ladder.

So, physiological, then security, then social affiliations, esteem, and then for self-actualization. It is very difficult to meet so self-actualization in a developing nation because most of the people are still struggling for a square meal right.

(Refer Slide Time: 18:50)

3. Risk Taking Behavior

Risk taking behavior differs across cultures that reflect these attitude:

- **Uncertainty avoidance** ✓
 - handling uncertainty ✓
 - For example Gillette entered market like Denmark and United Kingdom which rate low on uncertainty avoidance, before venturing into Belgium and Portugal which rate high.
- **Trust** ✓
 - degree of trust among people ✓
 - high trust will lower the cost of doing business ✓ → easier.
 - In one extreme, in countries such as Norway, Sweden and Finland, more than 60% of respondents in the World Value Survey think that people can be trusted. And in the other extreme, in countries such as Colombia, Brazil, Ecuador and Peru, less than 10% think that this is the case. → difficult.

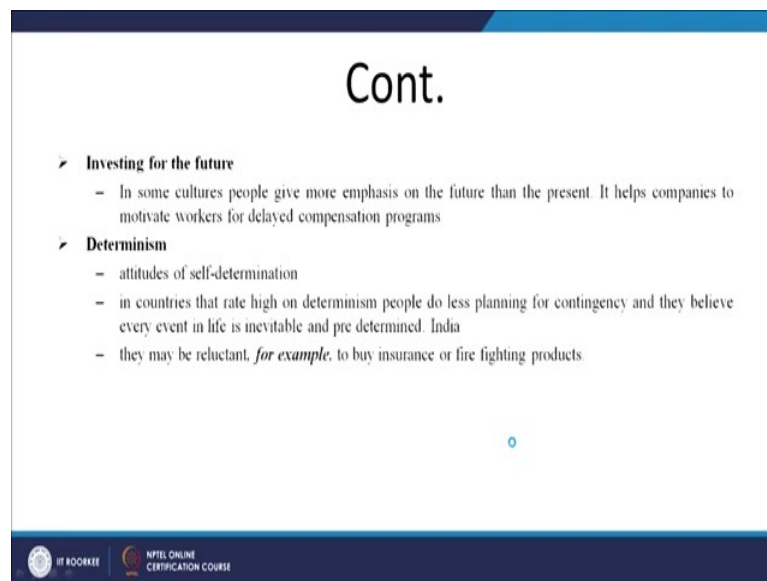
IT ROOKIE | NPTEL ONLINE CERTIFICATION COURSE

Risk taking behavior. So, this differs across cultures that reflect this attitude. For example, uncertainty avoidance, handling uncertainty. How do I handle uncertainty? Gillette entered market like Denmark and United Kingdom which rate low on uncertainty avoidance before they ventured into Belgium and Portugal which rate it high right. So, how much uncertainty how much people try to avoid uncertainty measuring on basis of this countries companies tend to enter into newer markets.

Another factor is trust. So, the trust is the degree of the you know the faith among people. High trust will lower the cost of doing business obviously. So, if I have a trust, I do not have to spend time and waste my money on understanding whether the thing would happen, and I would not try to give unnecessary buffer inventory because I know that the inventory would reach me in time, and I have a trust in that my vendor. So, I do not have to keep extra inventory with me in.

One extreme in countries such as Norway, Sweden, and Finland more than 60 percent of the respondents in the World Value Survey think that people can be trusted. And in the other extreme in countries such as Columbia, Brazil, Ecuador and Peru, less than 10 percent think that this is the case. If this is the condition just imagine doing business in such countries is easier right, and doing business in these countries would be difficult right, because this is a lack of trust.

(Refer Slide Time: 20:19)



The slide is titled "Cont." and contains two main bullet points. The first is "Investing for the future" with a sub-bullet: "In some cultures people give more emphasis on the future than the present. It helps companies to motivate workers for delayed compensation programs". The second is "Determinism" with three sub-bullets: "attitudes of self-determination", "in countries that rate high on determinism people do less planning for contingency and they believe every event in life is inevitable and pre determined. India", and "they may be reluctant, *for example*, to buy insurance or fire fighting products". The slide has a blue header and footer. The footer contains the logos for "IIT ROORKEE" and "NPTEL ONLINE CERTIFICATION COURSE".

- **Investing for the future**
 - In some cultures people give more emphasis on the future than the present. It helps companies to motivate workers for delayed compensation programs
- **Determinism**
 - attitudes of self-determination
 - in countries that rate high on determinism people do less planning for contingency and they believe every event in life is inevitable and pre determined. India
 - they may be reluctant, *for example*, to buy insurance or fire fighting products

Investing for the future. In some cultures people give more emphasis on the future than the present. Now, this is interesting because it helps companies to motivate the workers for delayed compensation programs right. So, they would not try since the future is more important their old is security is more important for them, so the companies can delay the compensation programs.

Another important factor that effects culture is the attitude determinism. What it says? Attitudes of self-determination. Now, what does it mean? In countries that rate high on determinism people do less planning for contingency and they believe every event in life is inevitable and pre determined. So, whatever is going to happen whatever is happening with me, it is already pre determined. So, I am not doing anything. So, since I am not doing anything, why should I be spending too much of energy.

In India, for example, it is a very popular belief that whatever is happening to us is because of some past deeds right, and it is already well-defined, well-written. So, I

cannot change anything right. So, they may be reluctant, for example, everything has good and bad. This also has a good side to it. We can not only criticize, because when you believe something is going to happen, you would like to make your future life because there is a belief of you know next life in India

So, people tend to make good try to do good activities, so that their deeds are good, and they have a better birth and a better life in the next life. So, this kind of thoughts can be positive also. They may be reluctant for example, to buy insurance or fire fighting products, because they believe if I have to die, I will die, why should I be buying this insurance products.

(Refer Slide Time: 22:11)

4. Information and Task Processing

Cultures handle information in different ways

- **Consumer's perceptual cues:** it allows our brain to perceive the size of objects and their distance from us. Consumer cues include a variety of visual, written and spoken messages that affect consumer buying behavior. For example "Organic" has become a common term used on product packaging and in ads to cue health-conscious consumers that a brand's food products are natural or unprocessed.
- **Obtaining information**
 - low context (direct information) versus high context cultures (also consider related other information)
 - A low context culture is one in which things are fully (though concisely) spelled out. Things are made explicit, and there is considerable dependence on what is actually said or written. A high context culture is one in which the communicators assume a great deal of commonality of knowledge and views, so that less is spelled out explicitly and much more is implicit or communicated in indirect ways. In a low context culture, more responsibility is placed on the listener to keep up their knowledge base and remain plugged into informal networks.
 - Interactions between high and low context peoples can be problematic.
 - ✓ Japanese can find Westerners to be offensively blunt. Westerners can find Japanese to be secretive, devious and bafflingly unforthcoming with

UJ ROOKEE NPTEL ONLINE

Another point is the information and task processing. When I am talking about this, cultures handle information in different ways ok. Consumers perceptual cues for example, what is this, it allows our brain to perceive the size of objects and the distance from us. Consumer cues could include a variety of visual, written, or spoken messages that affect the consumers buying pattern right.

For example, you see organic has become a common term used on product packaging, and in ads to cue health conscious consumers that a brands food products are natural or unprocessed. For when you I have seen in India, for example, and in the most of the developed countries today where there is a fear of fertilizers and all effect on health. So, companies tend to write the word or use the word organic if it is an organically

developed product, so that the buyer is ready to pay a premium just because it is an organic product right.

Obtaining information, there are two sides two ways low context case and a high context case right, high context case. So, what is the low context case? When you obtain information and it is direct in nature, it is a low context case; where you obtain information and it includes other related information other connecting points also, then it says it is a high context.

Let me give an example here. A low context culture is one in which things are fully spelled out, directly it is spelled out right. Things are made explicit, and there is considerable dependence on what is actually said or written right. This is a low context. A high context culture is one in which the communicators assume a great deal of commonality of knowledge and views, so that less is spelled out. So, you speak less and it is understood more, and much more is implicit it is understood and communicated in direct ways. In a low context culture, more responsibility is placed on the listener to keep up their knowledge base and remain unplugged into informal networks.

Now, you see interaction between high and low context people can be problematic. Example, you see Japanese can find the westerners to be offensively blunt they are so direct right. So, they feel offensive because for the Japanese they are a high context culture, the westerners are a low context culture. Westerners can find the Japanese to be secretive, and they are not sharing their information right, but that is not actually what they are doing that is the kind of culture they are born in right

(Refer Slide Time: 24:48)

The slide is titled "Cont." and contains three main bullet points. The first bullet point discusses information processing, noting that every culture has its own systems for ordering and classifying information, with an example of U.S. telephone directories being alphabetical by last name versus Icelandic ones being by first name. The second bullet point compares monochronic and polychronic cultures, explaining that monochronic cultures value order and time, while polychronic cultures are more simultaneous and flexible. The third bullet point discusses idealism versus pragmatism, noting that some cultures establish principles first (idealism) while others focus on details (pragmatism).

Cont.

- **Information processing:** Every culture has its own systems for ordering and classifying information. *For instance*, in U.S. telephone directories entries appear in alphabetical order by last family name but in Iceland they are organized by first given names.
- **Monochronic** (work sequentially, e.g., Northern European) **versus polychronic cultures** (work simultaneously e.g. south European). Monochronic cultures like to do just one thing at a time. They value a certain orderliness and sense of there being an appropriate time and place for everything. Example Interactions between types can be problematic. German businessman cannot understand why the person he is meeting is so interruptible by phone calls and people stopping by. Is it meant to insult him? When do they get down to business?
- **Idealism versus pragmatism**
 - ✓ some cultures prefer to establish overall principles before they try to resolve small issues- **an approach labelled as idealism.**
 - ✓ Cultures in which people focus more on details than on abstract principles are said to be - **pragmatism**

At the bottom of the slide, there are logos for IIT ROORKEE and NPTEL ONLINE CERTIFICATION COURSE.

Now, moving on from information processing, every culture has its own systems of ordering and classifying information. For instance in US telephone directories entries appear in alphabetical order by last family name, but in Iceland they are organized by the first given names. So, these are differences how the information is processed. You must have seen how the language is in Arab, Arabic culture is written right to left right, from we move right to left. And generally when we write in other languages it is from the left towards the right.

Monochronic so versus polychronic cultures. What is this? Monochronic cultures like to do just one thing at a time. Let me finish with one customer, my work, then I will talk to another customer or let me finish one work, then I will move into another work. They value a certain orderliness and sense of there being an appropriate time and place for everything. So, they feel in a monochronic culture, everything is a specific time and place. Example interactions between types can be problematic.

German businessmen you look at this example cannot understand why the person why a person is meeting in the meeting he when he is a in a meeting he is so interruptible by phone calls. Suppose, there is a German and an Indian talking to each other on a business deal and the Indian is getting the number of phone calls so the German is not able to understand why even this man is attending these phone calls.

For him it is like he is a monochronic from a monochronic culture and the Indian is from a polychronic culture where he is habitual to doing multiple tasks at the same time right. So, is it meant to insult him? He is thinking right. When do they get down to business that is what the German is thinking. But actually the Indian is not meaning is not trying to insult or do anything wrong, it is a part of his culture right.

Another part of culture is idealism versus pragmatism. Some cultures prefer to establish overall principles before they try to resolve small issues and approach labelled as idealism. So, an ideal situation, we say it is something called idealism. Cultures in which people focus on more details that that on abstract principles are said to be pragmatism means more practical right. So, some in some cultures, they are more idealistic in nature; some cultures are more practical right.

(Refer Slide Time: 27:21)

5. Communications

- Cross border communications do not always translate as intended
- Spoken and written language
 - ✓ empleados: white-collar workers, obreros: laborers
- Silent language (nonverbal cues)
 - Colour
In most Western countries, black is associated with death, in parts of Asia white has same connotation, in Latin America its purple.
 - Distance: the customary distance for business discussion is 5 to 8 feet in United states and less in India
 - Time and punctuality: Japanese business people arrive early for business appointment
 - Body language or kinesics: indication of "yes" with a sideways movement of the head by a Turk, Greek or Bulgarian and up-down by an Indian
 - Prestige

IT BOOMEE | INTEL ONLINE CERTIFICATION COURSE

While when we come to communications and the last one of the elements connected to culture. Cross border communications do not always translate as intended, this is very very important. So, there is a danger side to it, spoken and written language for example, you see now empleados means white-collar workers, obreros means laborers. So, these are some terms which are so different from each other and we I would not have known until and unless I would have read it.

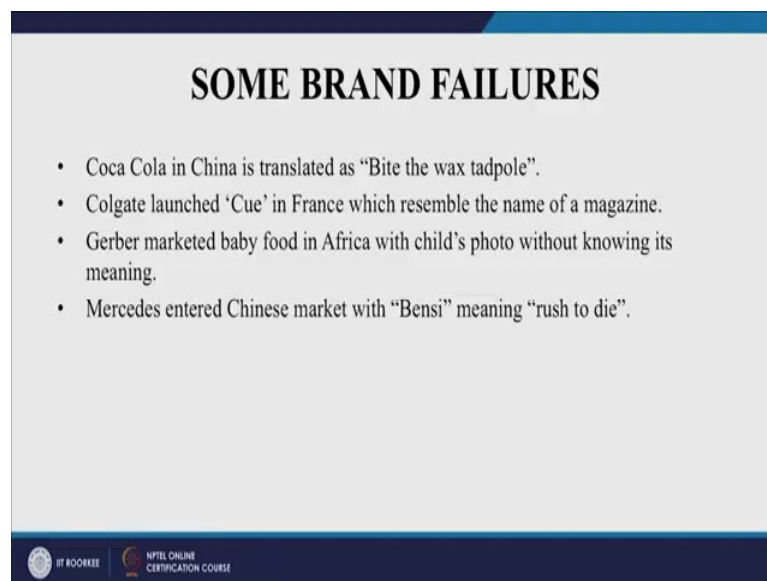
Silent languages – for example, in most western countries, black is associated with death. So, in India also if you go to a marriage, generally we avoid wearing colours of black

and all right in a auspicious occasion right. So, we wear white which we think is purity. In parts of Asia white has same connotation, so but in interestingly in India for example, when man dies the wife tends to wear in the older days especially used to wear a white saree that is that shows that she is a widow right.

Distance, the customary distance for business discussion is 5 to 8 feet in the United States and lesser in India. So, we sit close by. Time and punctuality, Japanese business people arrive early for business appointments, now that is the way their culture is. Now, an indication of yes with a sideways movement by the head is done by a Turk or a Greek. So, if he has to say yes, he will sideways make movements. But by an Indian if you see, the Indian would make it up and down to say yes right.



And prestige, how you connect, so these are the things which are a part of the communication the verbal and nonverbal communication we talk about.

(Refer Slide Time: 29:09)



SOME BRAND FAILURES

- Coca Cola in China is translated as “Bite the wax tadpole”.
- Colgate launched ‘Cue’ in France which resemble the name of a magazine.
- Gerber marketed baby food in Africa with child’s photo without knowing its meaning.
- Mercedes entered Chinese market with “Bensi” meaning “rush to die”.

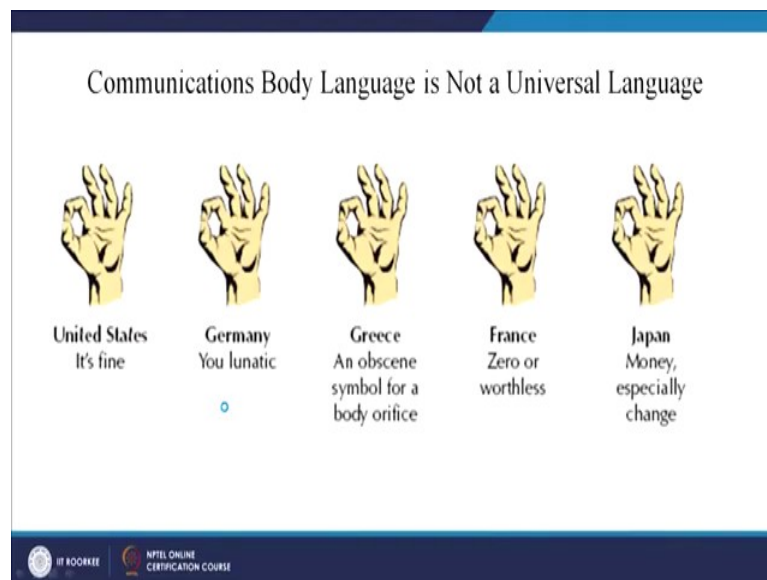
 

Now, this I have bought some interesting example to talk about some brand failures because of poor communication. You see, a very hilarious examples. Coca cola ventured into China and its brand the Coca Cola was translated in Chinese as bite the wax tadpole. Similarly, Colgate launched cue a brand in France which resemble the name of a adult magazine, so they had backlash. Gerber marketed baby food in Africa in Ethiopia basically with a child’s you know photo without knowing its meaning.

Now, what does it mean in Ethiopia? The photos are given to say that whatever is inside that is what is shown in the label, so that means, you can understand how bad it looks that that means, something like a when the child's photo is there outside, it is also there inside.

Mercedes entered the Chinese market with Bensi a brand meaning rush to die. So, this is something some brands there are many many more examples, but these are something which tells you about how brands failed right, and because in different the communication a meant differently and in different places they have a different meaning altogether.

(Refer Slide Time: 30:21)



So, this is another example you can go through. I had also shown it in my earlier slide.

(Refer Slide Time: 30:24)

Company and Management Orientations in Dealing with Cultural Differences

- **Polycentrism**
 - belief that business units in different countries should act like local companies
- **Ethnocentrism**
 - conviction that one's own culture is superior to that of other countries
 - ignore important factors
 - believes home country objective should prevail
 - thinks change is easy
- **Geocentrism**
 - requires companies to balance knowledge of their own organizational cultures with both home and host country needs, capabilities, and constraints
 - Preferred approach
 - encourage innovation and improve the likelihood of success

III SEMESTER | NPTEL ONLINE CERTIFICATION COURSE

So, company and management orientations with cultural differences. So, in terms of cultural differences, there are three basically things we talk about polycentrism, ethno and geo. Now, poly is belief that the business units in different countries should act like local companies right.

So, what it is saying the belief that the business units in different countries should act like local companies. What is ethno saying convection that one's own culture is superior to that of other countries. So, my culture is better than others cultures. So, by doing this you are ignoring many important factors. Believes home country objective should prevail, thinks change is very easy, but it is not true right.

And what is geocentrism saying? Requires companies to balance knowledge of their own organizational cultures with both home and the host country, capabilities and constraints. This is a preferred approach and in encourages innovation and improve the likelihood of success. So, these are the three types of orientations in terms of the cultural differences.

So, this is all we have today. So, thank you very for your patient hearing. So, we have understood today how culture affects the business environment that is what we discussed today.

So, thank you very much. Have a pleasant day.