# THE CULTURAL IMPACTS ON BUSINESSES GOING FOR INTERNATIONAL FOOTPRINTS

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## ABSTRACT

*In international business various factors are there which influence the success of any multinational enterprise. The international business environment consists of internal and external factors affecting the business at a given point of time, the cultural factors of the external environment are one of the factors affecting the performance of any international enterprise in case of cross border investment is concerned. This study focuses on as to how the cultural environment affects the vitality of the business unit. This study covers and analysis the degree of the impact which the cultural issues can have when doing the environmental scanning and forming business decisions.*

**KEYWORDS:** INTERNATIONAL BUSINESS, INTERNATIONAL HUMAN RESOURCES, CULTURAL ENVIRONMENT, CROSS BORDER INVESTMENT.

## INTRODUCTION

The social environment as part of the external environment is composed of the factors which have their footprints for determining the successes and failures of any business enterprise. The culture of any country has a direct implication on the nature of the demand and supply and their quantity. It the culture which decides upon as to how much will be the size of the market of a particular product or service. The culture affects the habits of the natives of a particular land taking their choices, perceptions, likes, dislikes or preferences. The culture has the vitality and the capacity to promote or to de-promote any product or service whether existing or proposed to be produced or provided.

## HUMAN CULTURAL ENVIRONMENT

The cultural factors are based upon the human perceptions taking the cultural issues in the picture. The attitudes and values of a particular cultural unit prepare the basis of any society which affects the demographic or economic changes besides political and technological changes. In various countries it is the workforce which forms the diversity of their commercial establishments. A large portion of the new entrance in to the recognized workforce is from the native demographic. As a result of that the workforce becomes diversed and includes various cultures within itself. For example in the United States about 46% of its workforce is represented by women workforce which is 50% in Sweden, 41% in Japan and 37% in Mexico. The above statistics brings the clarity upon the issue and fact that the workforce of any country is composed of diverse compositions.

Commercial enterprises across countries have their own cultural and institutional attributes for entering into the global markets. The cultural and organizational context must function in accordance with the cultural acceptances or rejections. This can be further elaborated with the fact that china is the most populous country which is rich of skilled labour in plenty; this makes the global firms or commercial enterprises to take advantage of it and start production activities in the country of china where low cost labour is always present. Another advantage is the enormous consumption of the Chinese economy.

## CULTURE COMPOSITIONS

The culture consists of behaviour and achievements of human groups, their ideas and perceptions towards any object or event. The culture is composed of behaviour and its application. The followings are the factors present in the cultural environment affecting any business enterprise:-

- The education issues
- The religion issues
- The language issues
- The technological issues
- Demographic attitudes
- Social value and lifestyle cycle
- Social institutionalization
- Political will and its interference

The above mentioned issues forming together prepare the culture of any country. When the demographic attitudes neglect any product, the product is exposed to cultural unacceptability and risk. The social institutionalization prepares the ground to give recognition and generating the demand for any commercial production process or any particular product. The culture is an essential dimension of the development of any industrial establishment.

## CULTURAL CONTRIBUTIONS

The culture of any country has affecting the communities their skills, their knowledge, their income levels and their social standings in the following ways:-

- The culture provides opportunities to the demographics to apply their skills and earn incomes.

- The culture ensures the diversity in the economic, social and cultural resourcefulness.
- Culture ensures conservation and deriving revenues from the available assets on a sustained basis.
- Culture strengthens the social and human capital to ensure them self respect and fulfillness.
- Culture always welcomes the diversity. Because of this diversity culture ensures the provision of multiple and diversified services.

As discussed above the culture has lot of things to do to ensure the social sustained development. It is the culture which provides for the multiple usages to the resources having scare nature. It is the culture which ensures and tells about the industries to be established, their demand and supply patterns and their product conversion cycle.

The following figure shows the cultural impacts on the commercial establishments and industries having international presence:-

**Why Culture Matters**
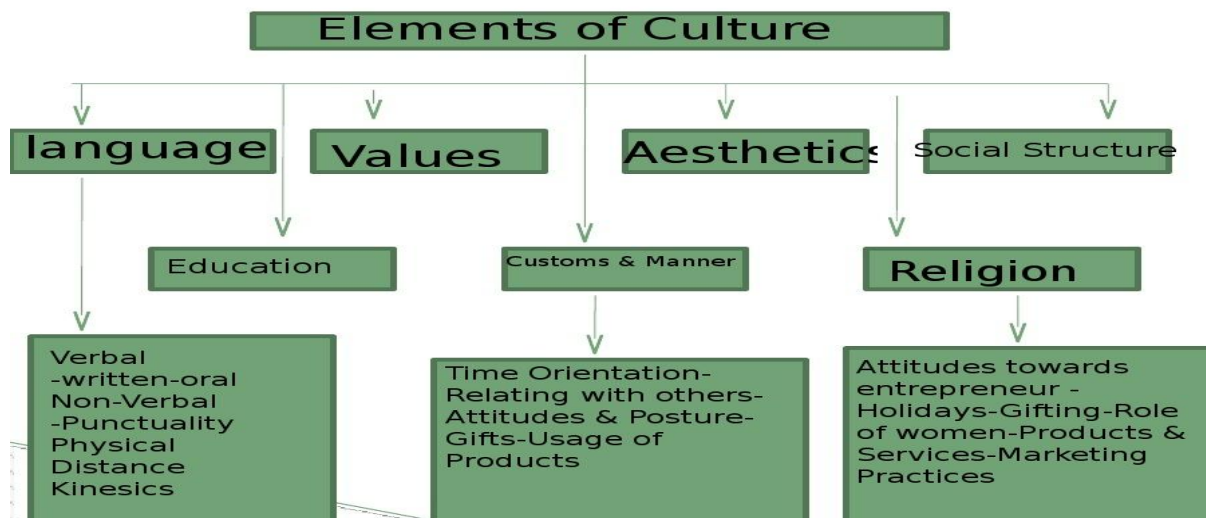
Culture
- Assumptions → Behavior → Results

- The assumptions and beliefs of employees drive behavior.
- The collective behavior of employees determines results.
- The results measure performance and indicate if strategic business objectives have been achieved.

As shown by the above figure that it is the culture which shapes the ideas and works motives of the employees within an organization. It is the culture which forms the basis for the collective work response and behavior. When the assumptions and behaviors of the employee groups bring the impacts, it becomes the responses by the organization towards the goals and objectives of the corporate entity. The figure thereby makes it clear that the culture has a prominent role for determining the employee and organizational responses. The organizational responses thereby make the way paved to organizational success story.

**CULTURAL VARIABLES**

Following figure shows the cultural variables present in the cultural environment of the business community and their role statements:-



Elements of Culture

language — Values — Aesthetics — Social Structure

Education — Customs & Manner — Religion

Verbal -written-oral Non-Verbal -Punctuality Physical Distance Kinesics

Time Orientation- Relating with others- Attitudes & Posture- Gifts-Usage of Products

Attitudes towards entrepreneur - Holidays-Gifting-Role of women-Products & Services-Marketing Practices

Based upon the above given figure, followings are identified as the cultural variables present in the cultural environment:-

- Language
- Social institutions

- Aesthetics
- Respecting employees' religious conceptions
- Cultural impact on the marketing strategy
- Cultural perception towards the product
- The pricing in the cultural prospective
- The place of marketing of goods
- Promotion of the entry products or services

The cultural environment has various variables which signify the personal interaction of the demographics and their proper response to the social issues.

## IDENTIFIED LIMITATIONS OF THE CULTURAL IMPACT OVER THE COMMERCIAL ACTIVITIES

Although the cultural issues present in the business environment do directly affect the market perception for a particular product or service, it is not always easy to correctly determine the impact of any of the cultural variables over the proposed product mix. It has always been felt by the cultural administrators or managers that the culture cannot always be correctly understood. The cultural modalities and references may not always be picked up as a problem solving exercise until and unless there is a well determined and calculated cultural impact over the commercial processes of any industrial unit.

The above assertions may be advocated in the fast changing cultural environment. The swiftly changing cultural environment and the impact of its variables over the business decisions have made the decision making process a complex and tedious task. The cultural managers have been for a long period of time engaged in the identification of the cultural variables, their impact and relevance in forming any commercial decision. The fast changing technological moment has been forcing the fast changes across the countries and their cultures. The information technology has made the whole world a village. Due to rapid innovations in the information and communication technology, the cultures of various countries is being mixed up with that of each other.

## CONCLUSION

The above discussion has summed up that the new advance in the field of information and communication technology and its adoption worldwide has made the cultures across the borders adaptable by others. No culture can be predicted in an inflexible manner. The cultural variables have definitely the imbibing and impact over the business decisions while going to the new cultural set out of the boundaries of the adapted culture. The work has stressed upon the fact that the culture is a changing concept and it should be taken seriously and carefully while using it as a yardstick for taking any business or commercial decision in the foreign culture.

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