

The Culture of Business - In Perspective

Let's Discuss Competition, Shall We?

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A free market economy has also been described simply as competition. As businesses compete for brand recognition, market share and consumer loyalty the result is a vibrant exchange of goods and services. This will then drive the economy towards greater overall stability and the needed flexibility to survive the inevitable fluctuations that will occur.

Okay, so now let us get real! Text book recitations of how the free market is supposed to work have a very limited application in light of historical culture variables. A free market, as those from the States will envisage it, works best within an environment that values a high degree of individualism. Some will stand up in righteous indignation and point out – Okay Mr. Hot Rockets, what about Japan, it is a communitarian culture not individualistic as the States and has a free market economy. Yes, this is a good point and it is just the point needed to explain what is occurring here and now. It is the very core of the problem as a conflict between cultural norms and values is occurring thus causing bandit capitalism. Japan has adapted what it was given after World War II, and it still struggles with a conflict between what it has and the core norms and values within the historic Japanese culture.

First let us consider the following description of U.S. competition form a brief for foreigners wishing to do business within the United States:

A natural result of the US focus on individualism, independence, and freedom is competition. The US populace is known for its competitive nature. Business jargon includes many metaphors and terms derived from sports and war to describe the US vision of business - and even life itself - as a competitive struggle. Although much daily activity is actually collaborative or cooperative in nature, the culture still holds competition and struggle in high esteem. Unfortunately, this value requires winners and losers, seldom allowing for a tie, much less a situation in which everybody wins. Naturally, a person prefers to be a winner, which usually means being aggressive to win out over others who also want to be winners, which therefore perpetuates and intensifies the competition.

Paradoxically, US parents teach their children and state publicly the noble sentiment that the quality of sportsmanship is more important than winning or losing ("it's not whether you win or lose; it is how you play the game"). In light of this idealized credo, the results of a recent survey of US businesspeople were not surprising: they ranked winning low on their list of values. Businesspeople in the US are certainly capable of compromise, but they seldom place compromise high in their ranking of desirable traits, nor do they often define compromise as a successful outcome. Winning remains an important, if semi-private, goal in business negotiations, and when winning becomes extremely

important, competition can be harsh and unforgiving, and compromise difficult if not unlikely.

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The underlined segments should bring to light something important; these same elements are what we are seeing in local business methods. Things here are very much a win / lose scenario. The fault is not completely with the influence of the “American culture”, as some local residents may infer. However what the local business people have seen, heard and learned from the States cannot be discounted for its cause and effect relationship.

Professional experience has shown me that the U.S. method of teaching business is also highly paradoxical as is indicated in the aforementioned passage. On the one hand they say there are rules to the game, yet fail to place significant focus on those rules as their day-to-day focus is on how to win the game, the winning is the supreme objective. Money talks! The U.S. paradox is not in itself the reason for existing conditions; it is more an excuse or catalyst for current conditions. To the opposite side the British place a higher value on the “how” you play the game. They value winning to a degree of course but their culture far more reinforces the “how” when they point out “good form”, “bad form” or something being “cricket” or “not cricket”.

Both from the pre-Soviet history of this nation and absolutely during the Soviet era the social structure was intended to promote a communitarian life. Some of the expatriates I have met seem to believe that a transition from the system on one end of a spectrum to the system on the other end is the reason for current conditions and local business methods. I would beg to differ. We are not seeing transitional forces alone at work so much as we are seeing expedient adaptive behaviours. It may also be expressed as Machiavellian business – “the ends justify the means”. This is the picture that is both knowingly and unknowingly painted by the brush of a “free” market – anything goes and the person who has the most money at the end of the game wins. To express the current situation in a different way it is a misinterpretation of the “system” that is occurring, which has been both taught and illustrated by the Western media, films and local interactions.

Please remember that as I said previously the Western (and Eastern) practitioner of the free market economy is the excuse and a catalyst but not wholly the devil incarnate. Two other variables hold a more fundamental position in understanding this environment.

Variable #1> Soviet Culture

Given the fact the no culture disappears overnight and that residual elements of Soviet thought, conditions, training, and values exist, what do you think will happen when you introduce a “free” market??? From a cultural aspect much of what is being seen and experienced is rather predictable.

Simple observation should have taught you by now that one of the residual elements in the local business culture is the “path of least resistance”. By this is meant that one shall use whatever influence, opportunity, friends or means by which they get around rules, regulations or foreign methodologies in order to achieve the greatest gain with least amount of expended resources (time, effort, money). If you wish, call it the “serpentine maneuver theory”.

Variable #2> Strength vs. Weakness

This influencing factor is the Darwinian variable. The strong survive. Therefore those that do business in a manner that insures victory (money, position, power) are those that are viewed as more clever, wiser, more capable than the weaker person that will not do whatever it takes to survive. In reference to the expatriate specifically, some would ask why should you need to “survive”? It is perceived that you earn more money and that you live better than many here. In addition you can just pack up and go home anytime you want. As one economics professor said to me, to an accompanying round of boisterous cheers and applause from his colleagues, “We shall wait and be patient and someday we will rip you (referring to the foreigner in Kazakhstan) to shreds”.

Accurate or inaccurate the statement is irrelevant to the major point. The moral of the story is that you should never have allowed such feelings to have occurred! You wanted to bring competition here and you are beginning to see it happening, good, bad and ugly! Yet these negative applications can still be mitigated in order to establish a more substitutive working relationship. So firstly, hold off on any further promotion of competition and free market reforms! This is because for some the objective is now becoming using what has been given to beat you at your own game. Is that what all your good intentions bargained for? The answer lies in a new direction! Best you put some serious effort toward finding it.

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