

The Culture of Business - In Perspective

Further Elements of Cause and Effect.

By: Stephen G. Wright

Take the time to read through the passages below. As you read ask yourself if there are any threads that connect the two excerpts. The first excerpt deals with environmental issues, the second with the expatriate experience in China.

Source: **Oceans Apart? Business Responses to Global Environmental Issues in Europe and the United States**

Byline: Levy, David L; Newell, Peter

“Business strategies are primarily driven by perceptions of economic interests, filtered through particular national lenses, and constrained by specific political and social contexts that vary by issue and over time. Economic, political, and cultural forces interact in complex ways to produce the outcomes on each of the issues. Overall, however, the evidence indicates that the economic opportunities and threats presented by each issue constitute the main drivers of business responses. Cultural and political factors play a secondary role, influencing how business perceives its economic interests and helping to shape the specific tactics that businesses adopt”.

“However, some caution needs to be taken in using sociocultural explanations for corporate responses to environmental issues. Although companies are sensitive to their stakeholders, they are sometimes prepared to take actions that defy widely held values when their core economic interests are at stake, as in the case of Shell's cooperation with the former military regime in Nigeria.²⁶ The increasing internationalization of these companies and their top management teams suggests that national cultural influences might be weakening; sensitivity to societal concerns regarding environmental issues, as expressed in annual corporate environmental reports, appears equally strong on both sides of the Atlantic.²⁷ Finally, some people argue that top corporate managers and shareholders of large companies around the world are beginning to recognize their common interests and are developing their own set of values and norms independent of their national location or origin.²⁸ However, sociocultural factors do force companies to adjust the way they seek to present themselves and to market their products when there are peaks of public concern and active social mobilization surrounding environmental problems.

Source: Relocation Journal - **The Expatriate Experience in China The Expatriate Experience in China: A Survey**

By: William B. Riley, Maria M. Yester, and Randyl Elkin

“When asked to rate how prepared they had been for their assignment, in terms of receiving training and education, twenty-three percent of the lead expatriates said they had received no preparation for dealing with ethical and business issues related to China. Forty-six percent said they were somewhat prepared by their company. Only seven expatriates said that preparation was satisfactory.

Twenty-seven percent of the expatriates received no training in cross-cultural communication and the social aspects of living and working in China. Thirty-

one percent received some training. Ten expatriates said their training was satisfactory or exceeded expectations. The respondents were asked what types of training would have proved useful prior to their assignments in China. The majority, sixty-one percent, mentioned language training and thirty-five percent mentioned additional cultural training. The respondents also believed that more information on living in China would have enhanced their experience. Topics such as crime, culture, history, and economics were often mentioned. Expatriate partners said they would have liked assistance with job placement, interactions with other expats, and information on life in China, including school guides, prior to their move.”

The first point to make is that all indications are that companies do place sociocultural factors as a secondary consideration; with this I do not argue. At issue is the degree that this action is effecting operations in ways that have not been adequately assessed. The excuse for placing sociocultural elements on a “back burner” used in the corporate world is globalization. As suggested above, and again I am in full agreement, is that multinational and global companies are creating a corporate culture of their own that rises above ethnic or national cultural influences. My current research on this area certainly supports this contention. Further, I can say that I have witnessed it in action. My position is that these corporate cultures can be highly dangerous if not kept in check. The potential outcome is something I have labeled “corporate ethnocentrism” leading to a marked decline in corporate social responsibility (see article from 08 October issue).

Now consider the data and the implications from the second excerpt. If the variables of culture and the appropriate degree of training to handle them deserve a back seat to economic interests then you are oblivious to the cost factors of expatriate disenfranchisement, failure and repatriation.

You are not seeing the forest through the trees! What you are doing is setting the corporate agenda based upon economic and political variables without adequately correlating the cultural factors into the equation. Most often we see that companies are dealing with the first issue, economics, politics and public relations, later switching gears completely to look at the second issue of what do we do about this “culture thing”. You cannot imagine how many times I have heard representatives of major firms tell me that they are a diverse, international firm that lives cultural adaptation every business day. Once again my response would be – YES, and pigs wear pajamas! Experiential learning, as stated in a previous article, is a peripheral level of adaptive training at best! There is a strategic disconnect here between one influencing factor in international business and the other.

So, do the homework - the threads that connect the two excerpts can be seen and answered for by studying the concept of “Third Culture”.

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