

INTERDEPENDENCE AND FEATURES OF
INTERNATIONAL BUSINESS AND CULTURAL
MANAGEMENT

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Abstract: The article considers importance of international business, importance of culture management, interdependence of directions and a number of other aspects based on the experience of modern developing countries. We are learning that the development of the twenty-first century has encouraged all countries to be advanced in almost all areas, and factors other than business and private enterprise have contributed to the comprehensive development of industries and sectors of the economy. In the course of the study we took into account the experience of the countries of the world, as well as known words, views, studies and statements of scientists not only in the economic and social spheres, but also in other spheres, and that in the future this issue will be studied more consistently. In addition, we have provided links that will help clarify the topic, conclusions, opinions and more. It should also be noted that we have paid attention to the role of culture in international business and the relevant strategy and principles of intercultural governance.

Keywords: cultural management, individualism, collectivism, distance of power, monochronous, synchronous, polychrome time theory, context, manager, globalization, strategy, organizational design.

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Introduction

Technological advances and achievements have brought people from different parts of the world and from different cultural backgrounds. People with different cultural identities communicate. Being close to each other and learning different cultures is good, but cultural diversity in the workplace can be devastating. Some things are allowed in one culture and some are not. Organizational management requires different tasks, such as establishing procedures and developing policies. In addition, organizations need to motivate their staff to perform the chosen tasks and understand cultural diversity to perform those tasks. Intercultural management is a management area that focuses on processes and policies related to the management of workers from different cultures. It also helps in the realization of management objectives by regulating the influence of cultural differences. The contribution of two scientists, Adler and Hofstede, is very important in the field of intercultural management. In this article we will focus on the role of culture in the international business context, as well as on relevant strategies and fundamentals of intercultural management.

Literature review on the topic

According to Gert Hofstede, culture is «collective programming of the mind, which distinguishes members of one group or category of people from another». He studied cultural diversity mainly between peoples. Similarly, Gudikunst and Kim defined culture as a «system of knowledge shared by a relatively large group of people». By large groups, they meant different countries. When dealing with people in an intercultural business environment, it is important to rethink one's own cultural identity to understand the thinking of others. Edward Hall describes culture as a force influencing personality formation. He describes culture as a form into which we are all shaped and which directs our lives in many questionable ways». Intercultural relations are very complex and unique

Methods

International managers face the challenge of working simultaneously in different locations, including their own culture, workplace culture or organizational culture. Each culture has a different understanding of such terms as «authority, responsibility, verification, good cooperation, creative bureaucracy». It is important to note that our cultural prejudices and habits may be different. Cultural values prevent accurate communication between people from different cultures. When dealing with people in an intercultural business environment, it is important to rethink one's own cultural identity to understand the thinking of others. Cultural differences have been studied by different authors using different paradigms. We will mention them below.

The Four Dimensions of Hofstede's Cultural Differences

According to Hofstede, culture can be analyzed in four different ways. They are:

1. Individualism and collectivism. Different cultures have different preferences for individuals and groups. Some cultures value the personality above the group, while others value the group more than the individual. Individualism emphasizes the value of one's own interests or those of one's family. Countries that value individualism are the US and the UK. Collectivism, on the other hand, emphasizes the group's sense of loyalty and concern for other interests. India, Singapore etc. have high characteristics of collectivism.
2. Power distance: refers to the level of acceptance by employees of uneven distribution of power in the organization. Cultures of high power distance, such as India, Mexico, and the Philippines, among others, are associated with bypassing top managers; Cultures with low power distance do not hesitate to bypass their superiors for their own benefit. Countries like the US and Israel fall into the category of low power cultures.
3. Avoiding ambiguity. In Hofstede's view, not every culture perceives change equally. Some cultures accept change as experience, while others do not. Adler believes that cultures with high levels of uncertainty avoidance, such as Japan, promote permanent employment. On the other hand, in cultures with low levels of uncertainty avoidance, such as Hong Kong and India, job mobility is often observed.
4. Masculinity against femininity. Men's societies value material values such as achievement, money and property, while women's societies emphasize interpersonal relationships, empathy for others and quality of life. Countries with male characteristics -

India, Austria, USA and Italy. On the other hand, countries such as Denmark, Norway and Sweden follow feminism.

In addition to the above four dimensions, Adler introduced another dimension called Confucian dynamism. This is due to workers' commitment to work ethics and admiration for their traditions. Hong Kong, Singapore, South Korea and Taiwan have a strong work ethic and are therefore known as the «Four Tigers of Asia». They are faithful to traditional Confucian principles.

Hall's Theory of Context and Time

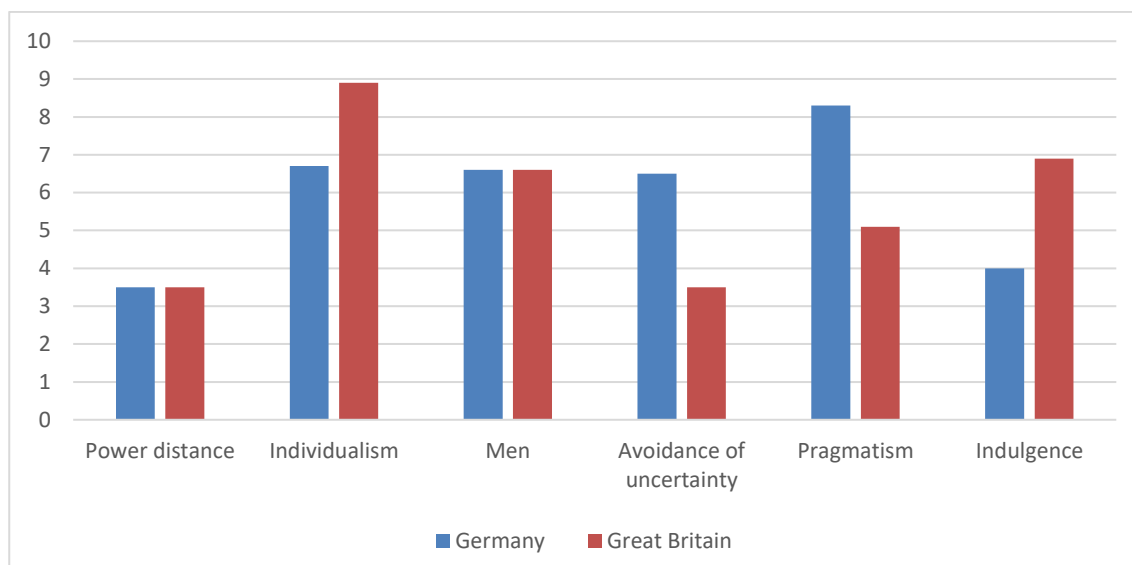
Hall added another dimension to intercultural differences. He said that culture could be distinguished by context and time.

1. Cultures with high and low context. Culture with high context. People representing high-context cultures have nonverbal behaviors. They are more dependent on characters, language, etc. Communication is often done through codes, and agreements are verbal and flexible. Relationships are constant and value lasting interaction within large families and friendly networks.
2. Low-contextual cultures. People representing low-contextual cultures communicate openly, providing accurate information. They prefer to place their preferences in different departments. Communication becomes clearer and more formal. They require detailed information to make any decision. Agreements are in writing and binding. The bureaucratic system leads to the separation of powers, but identifying one's identity is difficult.
3. A consistent or monochronous theory of time. Representatives of this culture attach great importance to time in their lives. They don't appreciate the right use of time, sitting and waiting for someone or having any free time at all. Time is for them money.
4. Synchronous or polychrome time theory. For people of synchronous cultures, time is like any other event in life. Human relationships are more important than time. Time is a flexible commodity that can be managed according to needs.

Results

Having studied the above points, we can learn the results related to the topic from the statistics of the countries of the world, that is, Germany and the UK.

1 schedule



As can be seen from the above statistics, the results in both countries are different. If we analyze the same index in power distance and men, but in Germany there is a preponderance of pragmatism and avoidance of inaccuracies, and in individualism and condescension the UK proves its leadership. We also refer to another study. Based on the five dimensions of Hofstede's cultural differences, we can assess intercultural differences as barriers and some common features in business relations between India and the US. Indians believe in a collectivist system of values. The Indian social system is based on a hierarchical system in which the head of the family is the decision-making body. The family is more important than work. Respect for elders, financial support from parents, a shared family system and family business are other features of Indian society. In the US, personal needs and achievements matter to people. Decisions are not influenced by others, and everyone can make their own personal choices. Americans have a special value for their career and family. The second difference between the two countries is based on the distance of power. India has a much higher power distance than the US. The cultural hierarchy in India devolves all power to the chief, and employees must obey orders without raising any issues. There is no such hierarchy in the US. Power is not concentrated at any level, but distributed evenly. People are valued for their high mobility and easy access to senior managers. The level of context is another aspect that distinguishes Indian and American culture. In the US, communication is clearer and simpler. In terms of ethical behavior in business, the US depends on professional behavior, while India places more importance on relationships. American managers believe in an analytical approach, while Indians prefer an intuitive contextual approach to ethical issues.

Discussion

The main requirements of international management are: to study the new environment and predict its impact on the local enterprise, to implement the appropriate strategy and management skills in order to adapt adequately to the new situation. International management emphasizes the application of appropriate management systems and practices based on country-specific conditions and people involved.

Managers need to improve their intercultural communication and negotiation skills and improve etiquette to successfully manage their business internationally. Global managers must be effective and competent in addressing such challenges as globalization, technological progress, environmental change and competition. Organizations encourage their managers to travel abroad to acquire innovative skills and coordination through intercultural communication to help manage cultural differences. This global presence allows managers to experience the cultural diversity of other places. According to Yu, globalization in business leads to a serious need for standardization of organizational design, management strategies, communication models, as managers face many problems arising from internal and cultural problems and socio-economic systems. «Adaptation is crucial and necessary for corporate success». National and international competence and effective communication with stakeholders determine their success in international situations. The expansion of many transnational companies around the world has increased over the past few years. These companies are expanding through direct investment or partnership arrangements with local enterprises. These trends show that corporations depend on the successful completion of investment plans, strategic management, negotiation and cross-cultural business situations. Chaney and Martin believe that «a good understanding and understanding of the business culture can also help international managers to be effective». Sound management of cultural diversity can benefit organizations in growth and prosperity, as well as support global competitiveness. According to some authors, multicultural companies improve decentralization and empowerment at the local level.

The importance of intercultural governance can be understood in situations where cultural differences cause confusion and conflict. Cultural differences can also lead to misrepresentations of ideas and instructions. It is essential that managers in international business practice intercultural management to avoid misjudgements and mistakes when working with customers, stakeholders and suppliers. Managing international business requires effective intercultural governance to prevent corporate destruction and sustain long-term partnerships. Cultural differences are a barrier to communication and often cause confusion and misunderstandings. However, there is an understanding that intercultural diversity helps in the competitive world of international business. Interculturalism can be useful in transferring knowledge and experience from one culture to another. Schneider and Barsu believe that the right solution to cross-cultural problems «sees diversity as a resource, not a threat, necessary to meet the needs of the global market economy, to take full advantage of cross-border alliances and to improve organizational learning». Cultural diversity can be recognized as a way to achieve the Goals. Because it provides a wide range of solutions that provide a significant competitive advantage. International business can effectively use its resources by improving multicultural strategies and creative problem-solving methods. In addition, Morozini, Herzen, and Soderbergh argue that internal debates and comparisons of management styles can be useful for organizations. They believe that international mergers force employees to reveal their local cultural identity and organizational effectiveness. This cultural identity and activity are intertwined with what emerges in the new working environment. The mixing of these cultural identities thus creates a new cultural identity associated with the newly united organization.

Given both concepts, it is clear that culture plays an important role in the global marketing economy and requires appropriate treatment by international marketers. Soderbergh and Holden say that «in a globalizing business world, the main function of intercultural management is to promote and guide synergy and learning in places of interaction, where knowledge, values and experience are transferred

to multicultural areas of practice». Cross-cultural management is even more important in a world of transnational companies where cooperation can be hampered by the diversity of cultural backgrounds of employees. Globalization has led to the emergence of several companies around the world. This has strengthened the links between different cultures. Culture is learned through communication in various ways, coding and decoding language and associated symbols. So culture and communication, in a certain situation, complement each other.

Conclusion

Sound management of cultural diversity can benefit organizations in growth and prosperity, as well as in resisting global competition. Cross-cultural management is even more important in a world of transnational companies, where cooperation can be hampered by the diversity of cultural traditions of the workforce. International management emphasizes the application of appropriate management systems and practices based on the circumstances of the country and the people involved.

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