CROSS-CULTURAL BEHAVIOUR AND ITS IMPACT ON INTERCULTURAL BUSINESS OPERATIONS AND RELATIONSHIPS

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__Abstract__

The main aim of this project is to make clear how big the influence of culture in the business world is, how could it become a key factor of a company's success and why it should not be underestimated while dealing with international operations with other countries or societies.

In order to reach that goal, an analysis of the presence of culture in the some of the most important business areas such as marketing or human resources has been made.

Beforehand, an introduction has been designed so we can cover first the importance of international relations and its reason, along with the origins of international trading and the concept of globalization.

Secondly, the different cultural dimensions from G.Hofstede (an influent social psychologist and a recognized professor of international management) will be analysed to establish the main characteristics of the world countries and its culture.

On the other hand, we will also focus on highlighting the patterns of Cross-Cultural Business following the model of R.Gesteland, who is an expert on negotiations, sales and marketing across cultures. Thanks to this study, we will be able to distinguish the different types of behaviour that a company from a certain country will show, depending on their culture.

Additionally, we will exemplify both of the analysis explained above with one case in which two culturally different countries will be compared and studied, to come to the conclusion that the cultural behaviour does show a large impact on business operations.

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1. INTRODUCTION AND JUSTIFICATION

Nowadays we are experiencing a magnificent amount of international businesses taking place all around the world in the grand part of the existing sectors.

Over the last decade, international deals and trading has shown an incredible increase, due especially to the improvements made on the technological and communication world and to the spread of a concept known as globalization.

At the moment, we are not surprised by this international phenomenon, and we tend to see international business operations as something normal. Otherwise, if a closer look was taken, we would be able to realise that there is one thing that has a great influence on this operations and, sometimes, the lack of effort put on improving it, may be the main reason of failure for some companies: the Cross-Cultural Business Behaviour.

Before we get into this topic, it would be much easier to comprehend it if we start from the concept of international business and its importance.

As it was mentioned before, the importance of a good performance in international relations is totally essential if a country or nation desires to develop itself. Right now we cannot find a nation that does not need the support or contribution of others and is considered to be totally self-sufficient.

That is why business relationships started (in the shape of barter) and still exists today as a way of specialization and diversification.

When companies or individuals start having some kind of interest in being part of international trading, there is one need that suddenly appears in their agendas: to negotiate with foreign businessmen. Everybody should be aware of the problems that could appear once a negotiation process starts. It must be taken into account that the negotiation is not an easy task, because two or more parts will have different goals and will seek a satisfactory result for themselves.

The culture has a direct influence on international negotiations due to the great differences on the way of doing business between countries. Aspects like values, moral, religion, customs, and so on and so forth, are some of the concepts that could be classified as cultural barriers. As a consequence, getting to know all these factors, becomes an indispensable task for all companies while dealing with a foreign business relationship.

In this case work, before we start analysing the culture and its role on the business world, we will first focus on the international relations, trading and globalization and how much importance do they have in the cultural differences in business.

2. THEORETICAL FRAMEWORK OF INTERNATIONAL BUSINESS

2.1 Concept of international business

International business is considered as all the business transactions (privates or governmental) in which two or more countries are involved. The private companies develop these transactions in order to get some profit, while governments can chase the same or not in their own transactions. (Daniels and Radebaugh, 2000)

International business could be also defined as those types of businesses that cover, not only international transactions, but also the growing industry of services in some areas such as transport, tourism, banking, publicity or construction. (Ball & McCulloch, 1999)

2.2 Importance of international business within companies

When any kind of firm has already established its mission, vision and main goals, they start developing a way of reaching them creating and planning a strategy.

In order to get to this point, a good strategy requires an analysis of the current situation by the managers and they should change it if it is necessary, once they already have information about the resources they possess and those which are needed. (Peter Ducker, 1954)

We could also refer to strategy as the set of aims or goals along with the plans made to reach these purposes, which are shown in way in which the activity of the company and its type are defined. (Kenneth Andrews, 1969)

When the strategy is completely developed, the companies focus on entering the world of international business, but which are the main reasons that lead them to put so much effort on beginning their activity in this new field?

Sales increase

An increase on the sales has always been one of the factors that are chased by all the international firms. The sales normally depend on the interest of the consumers and on its capacity to buy the products they are interested in.

It is known that the international market has a much greater purchasing power in comparison with a single country and we can easily see that the grand part of the

world's most important companies show that more than de 50% of their sales take part in foreign countries.

Nowadays, thanks to the Internet it is not much complicated to start in the world of international business. (L.Delaney, 2014)

Acquisition of resources

In some entities, some products, services or even components are searched abroad along with technology or capital that may be useful in their country of origin.

There are some cases in which they follow this procedure so they can reduce their own costs. (Neil Kokemuller, 2018) One clear example of this situation is Disney, which has its low-cost manufacturing bases in China and Taiwan so they can afterwards sell their souvenir costumes in other countries, in which the manufacturing sector has greater costs.

Competition risk and diversification

Some companies do not have the need to enter a foreign market if they consider that their current situation is satisfactory, but they may decide to enter it anyway just because they could reduce the grade of success of their competitors. (Julio Cerviño, 2015)

For example, if the competitor desires to enter a new market and succeeds on it, they will gain more power and they will reach a better position, so doing nothing is not an option for our company if we do not want to lose our position in the markets we operate in.

At the same time, when a company tries to stop their competence' growth by penetrating a new market, they will also reduce their risk as they have diversified both, the income and the costs. (J.Emile van Rossum, 2017)

2.3 International trade

Following the definition given by the Commerce Code (2000), trade is "the lucrative activity that consists on the intermediation between producers and consumers of goods and services to promote the wealth circulation".

So we could consider that international trade will also have the same meaning, but we should add that this intermediation will be between different countries.

There are two principle facts that cause the existence of international trade. One of them is related to the non-regular distribution of the economic resources while the second fact is based on the price differences that appears from the possibility of adjusting the goods and services to the consumers' needs.

The international trade makes it easier for all the countries to increase the mobility of their production factors between them. Consequently, some advantages appear due to that fact:

- There is a balance between excess and shortage
- Each country specialises in those products in which they have more efficiency so they make a better use of their resources (Krugman, 2001)
- Allows a country to import goods whose production is not sufficient or possible for them in their area of operation
- It also allows the existence of exportations known as the offer of goods that exceed the consumption, to other countries or markets.

In fact, Adam Smith (1776) in his classic "The Wealth of Nations" stated that one of the keys to reach an economic development was to trade with other nations.

As there are diverse advantages, the international trade also includes some barriers that may appear due to some regulations that could be implemented in case a country finds them necessary for their wellness.

An example of this type of barriers is the tariffs which belong to the tax barriers. In this case, the government establishes a customs fee, increasing the price of the imported product, decreasing at the same time its demand.

2.4 Globalization

The description that the World Trade Organization (2006) has for this concept relies on the idea that globalization is a stage of a really fast expansion of the capitalism market.

According to Martin Albrow (1990), a British sociologist and expert of this topic, globalization refers *"to all those processes by which the peoples of the world are incorporated into a single world society, global society."*

One of the main characteristics of this concept is that it refers to a universal process that affects the entire world, including all the countries no matter what their conditions are.

Apart from that, fields like science, knowledge, information or culture tend to surpass the national limits so there must be a global net to treat with all of these topics. These situation also happens with markets, capital, workforce and technology.

On the other hand, Robert Cox (1994), a Canadian specialist on international political economy, stated that some of the main characteristics of globalization are '*the*

internationalising of production, the new international division of labour, new migratory movements from South to North, the new competitive environment that accelerates these processes, and the internationalising of the state'

3. CULTURE AND ITS IMPORTANCE IN BUSINESS AREAS

3.1 Concept of culture

Following G.Hofstede's statement, culture is defined as "the collective programming of the mind distinguishing the members of one group or category of people from others".

A culture could also be described as the total socially acquired life-way or life-style of a group of people. It consists of the patterned, repetitive ways of thinking, feeling, and acting that are characteristic of the members of a particular society or segment of a society (Harris, 1975).

There are other authors that also gave their own point of view of what culture meant to them.

For example, Keesing, who is the author of "*Cultural anthropology: A contemporary perspective*" (1981), stated that Culture refers to learned, accumulated experience and also to those socially transmitted patterns for behaviour characteristic of a particular social group.

On the other hand, Reichers and Schneider (1990) made clear that culture for them is "*the set of shared values, beliefs and customary ways of thinking and doing things which shape and guide the behaviour of organizational members*". Apart from that, they also added that "*its importance lies in its ability to influence the activities of members and the functioning of the organization without the direct imposition of measures and controls*".

Once analysed all of this different and also similar perspectives from different experts and author we can reach the conclusion of what culture really means or at least the components that give it a meaning.

When talking about culture, in order to make everything much clearer, let's imagine that culture has de shape of an iceberg. On top of it, the part that can be seen, concepts like words, gestures or body language are present. But there are other characteristics

that are not that visible and are located on the deep structure of the iceberg, such as prejudices, values, beliefs, fears, biases, and so on.

3.2 Culture on specific business areas

A clash of different cultures can become one of the worst problems a deal could have if two international firms that differ on their culture are doing business.

There are different business areas that are managed in totally opposite ways depending of the country or society we are talking about.

General Direction

This area of business is characterised by being the head and mind of the company. Some of the main tasks that are carried out here are related with establishing the goals and objectives of the firm and controlling the way everything is planned in order to reach those goals.

The task of administrator is one of the most important profiles that must be present and active in this department. Minztberg had in mind what an administrator should be like: "Henry Fayol saw administration though the exercise of control, while Tom Peters saw it as "doing" […] Michael Porter has compared it to thinking, Warren Bennis as leading and Herbert Simon described it as taking decisions. All of them were wrong because all of them were correct. Administration is none of those things, but all of them together"

Taking into account this description, we can assure that the culture may have a great impact on this area due to the differences of administration between countries.

For example, in countries like China or South Korea, the presence of a leader oriented to the long-term goals is essential while in European countries such as Germany or Netherlands, it is important to be flexible leader that sometimes can be individualist but always makes sure to ask for their colleagues' opinion.

Marketing

When talking about marketing, it could be described as the process of planning and executing the concept, price, promotion and distribution of ideas, goods and services in order to create exchanges that satisfy the particular and company's goals. (Kotler and Keller, 2009)

Marketing is also a discipline whose objective is to get to know the customer and his needs, and search for the way of satisfying them. (Dvoskin, 2004)

On the other hand, according to the author Alberto Levi (1998) marketing is "the process of positioning a brand to maximize its value".

We can actually reach to the conclusion that the base of marketing is how to reach the customers and identify their needs. That is why the cultural behaviour is a key factor of a high grade of importance.

For example, for an American company it is not the same to focus on covering an European market as focusing on an Asian market, where cultural values and costumes may differ far way more. We will clearly check this affirmation later on, in the case study.

Production

The area of production in a company is related to the creation and organization of all the products that the company will sell. There is not much to highlight in this department in relation with the cultural behaviour, but the working hours. In some countries like South Korea, employees work for more than 10 hours while in countries like Germany they usually work between 7 and 10 hours maximum.

Accounting and Finances

It is obligatory for all firms to have an accounting record and that's what this department does. They take into account all the coin movements, the employees' payments. One of the most important components of this areas is the Financial Management that focuses on administrating the resources of the firm in order reach its goals. To fulfil this purpose it is required to control the costs and guarantee the profit flow. (Navarro C, 2003)

The culture can also have a great impact in this area, even though it may seem a bit strange. As we already know, the culture can have influence in the economic sector and can also be a base for determining the tax system as well as the accounting one. We will be able to appreciate the main cultural differences later on, while introducing the classification of Hofstede and Gesteland.

Human Resources

This department has a close relation to the functioning of the company. Some of the main tasks are supporting the employees and make sure there is a healthy working atmosphere, recruit the suitable people for each position, evaluate the performance of all the company members, and so on and so forth.

Depending on the cultural behaviour of each country or society, the working atmosphere and, as a consequence, the human resources department may vary. Some cultures that tend to be more individualistic do not usually promote the teamwork spirit and focus the results obtained, while others that are characterised for being more collective put a huge effort on the people and the figure of a true leader.

4. CULTURAL DIMENSIONS

Nowadays we are living in a world with thousands of diverse cultures in which the intercultural communication has become a common fact.

G. Hofstede, a social psychologist and expert on this field, developed a model known as the *Five Cultural Dimensions* in order to identify the different cultural patterns of each group.

These five dimensions are pretty useful if we want to study and understand all the world's cultures, so we are able to comprehend in a better way the cultural features that predominate in one specific area and, as a consequence, learn how we could adapt to those cultures.

Hofstede shows different scores and numeric data for each one of the cultures in the five dimensions with the purpose of keeping in mind the idea of how each culture is and which are the main differences that could appear between them and our own culture.

All this scores had its origin back in 1970 when Geert Hofstede prepared and launched a huge survey within the IBM Company in a total of 76 countries. These surveys have provided us a detailed and clear insight of different countries, cultures and societies, along with the interactions of each region's inhabitants.

Once more than one thousand interviews were carried out and everything was analysed and diverse conclusions were taken, the Hofstede model of the Cultural Dimensions made its first appearance.

Later on, we will introduce and analyse the five different dimensions of this model but it must be taken into account that previously only four out of the five dimensions existed until one of them was added afterwards.

As it was already mentioned, these 5 cultural dimensions were identified and applied to 76 countries. A scale from 1 to 100 was used for measuring each dimension in one country and the higher the score is, the more the dimension analysed emerges or has presence in the culture.

4.1 Power distance (Low - High)

The concept of power distance in this model refers to the grade of inequality that is tolerated or that exists in a certain company, region, zone or country. This inequality and excess or lack of power is obviously measured from the point of view of the people located in the lower level.

When talking about high power distance, we are describing a culture that clearly tends to be unequal and accepts power differences. In this type of societies, there is a fixed hierarchical system in which everybody has an established and not variable position or rank (Shawn Grimsley, 2018).

Centralized organisations are normally the ones who show a high power distance score. There are normally great gaps between the General Direction and the lower level employees. In fact, these lower employees must show respect and at the same time recognize who has the authority and they must have clear which are the subjects that are located above them (Hofstede, 2010). This situation could create an uncomfortable atmosphere because employees do not have the chance to consult their superiors as much as they would want and their opinion in important matters won't be taken into account.

On the other hand, a low power distance culture is characterized by promoting the distribution of power on an equal and fair way. In this case, it is usual that the decision-making process is decentralized along with its own responsibilities and tasks (Hofstede, 2012). This may cause an increase on the employees' motivation as their opinions are totally considered and they are allowed to take part in significant decisions.

In the field of international business, all cultural dimensions have a great influence. For example, Japanese normally place the buyer in a very strong position and the seller is the one that must satisfy him, while the Americans assume that both of them, seller and buyer, lay in the same position.

In this case, Japanese businessmen are the ones who normally adapt while entering a foreign market, but if they didn't, it would not be a great problem.

Moreover, if an American buyer enters a Japanese environment and does not change its behaviour, the foreign seller will consider he is being disrespectful and won't agree on doing business with him.

In order to summarize and make it clearer, here there is a chart of this dimension.

Table 1: High and Low Power distance summary

High Power Distance	Low Power distance
Inequality is unavoidable	Inequality must be minimum
Hierarchy is established by natural differences	Hierarchy is a convenience
Superiors > Subordinates	Superiors = Subordinates
Some have privileges	Same privileges for everyone
Tell subordinates what to do	Consult subordinates
Respect authority	Respect individuals
Manager → autocrat	Manager → democrat
Example of country: India	Example of country: Austria

Source: Own elaboration. Information obtained from *Hofstede-insights.com (2019)*

In the following world map, we can distinguish where high and low power distance cultures are located and which degree of this dimension is part of their cultural behaviour.

Figure 1: Power Distance World Map
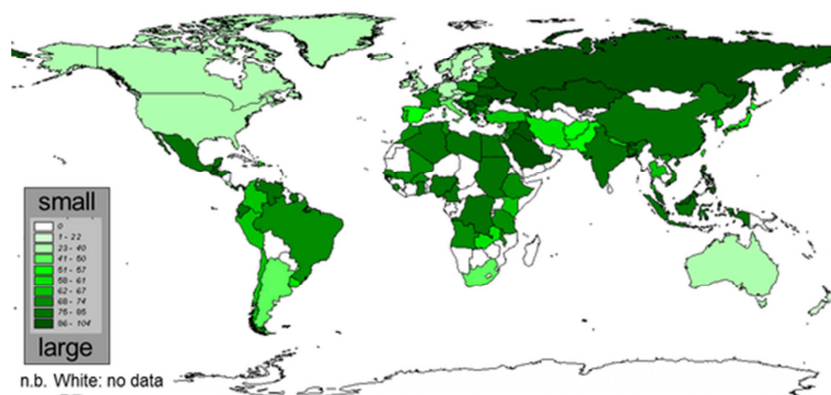
Source: Geerthofstede.com

4.2 Individualism and Collectivism

In this case we have a contrast of two different perspectives. This conflict refers to the grade of how strong the relationship is between someone and the people of their community (Christopher Earley, 1998).

If a society shows a really high score while measuring this cultural dimension, then it means that individualism prevails over collectivism. That can be translated to a culture with a weak or inexistent interpersonal connection with other persons (Hofstede, 2010).

It must be clarified that an individualist country does not mean that its people do not like talking or sharing experiences with no one. In these cultures, there are small groups known as 'core groups' or 'core family' that do not share or have a strong relationship with anyone but with themselves.

Furthermore, these subjects tend to have more priorities on their personal goals and the most common personal pronoun is 'I'. This means that every decision that is taken is always based on the personal needs of each individual (Hofstede, 2010).

Apart from that, they give a high value to the freedom and respect for privacy and normally have great expectations of receiving individual bonuses or rewards after reaching or even surpassing the established goals.

On the other hand, collectivism has a key work for their daily life: loyalty. They consider that being loyal to the group you belong to is essential if you want the group to defend your interests in exchange (Harry Triandis, 2002).

In this case, groups are much larger than the 'core family' ones and possess a stronger group cohesion and rapport. Moreover, everybody acts for the good of the group and conflict is avoided as much as possible (Hofstede, 2019).

Exemplifying this cultural dimension on the business field, in a collective cultural country like China, when debating over a company's investment decision, the decision-making process is made by consensus determining the last choice by the whole group. The main disadvantage of this behaviour is that the process becomes much slower.

On the opposite side, we have an individual cultural society like Germany. In this case, a German company is negotiating with a really important buyer the terms of an investment. Instead of making the whole group to participate only the general executive decided to deal with the customer. An important thing on this case is that the negotiator's personality must be taken into account.

Table 2: Individualism and Collectivism summary

Individualist	Collectivist
'I' Mentality	'We' Mentality
The identity is based on individuals	The identity is based on one's social group
Decisions are made depending on the individual needs	Decisions are made depending on what is best for the group
Tasks are more important than relationships	Relationships are more important than tasks
Goal → individual achievements	Goal → belonging to an organisation
Universalism: value standards apply to everybody	Particularism: values differ according to the group
Example of country: Australia	Example of country: Singapore

Source: Own elaboration. Information obtained from *Hofstede-insights.com (2019)*

In the next image we can see how this dimension is classified all over the world and which countries are considered more collectivistic or individualistic.

Figure 2: Individualism and Collectivism World Map
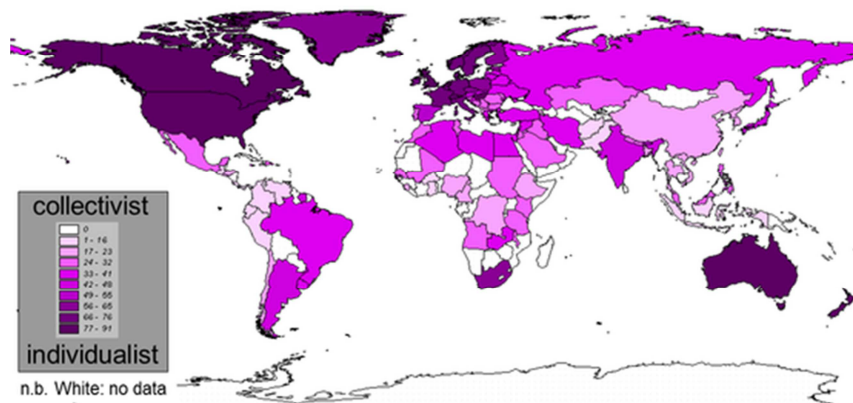
Source: Geerthofstede.com

4.3 Masculinity and Femininity

The third cultural dimension shows what the members of a certain society have as their main goal and what their attitude towards behaviour, mind-set and purpose is.

Apart from that, it also refers to how the gender roles are distributed, which positions do they occupy and how do they behave in an economic or business environment.

In a masculine society the gender roles are clearly established, they vary between men and women and do not overlap. In the case of men, they tend to have an assertive behaviour and are supposed to be tough, strong and competitive. They also seek material rewards and success is considered the result of hard work. However, women follow a more submissive and kind behaviour and are considered tender, in comparison with men (Zheng, 2018).

Additionally, conflicts are well acceptable and the decisions are made in an independent way. Also, the sentence 'live to work' is their main motto.

On the other hand, a feminine society stands out for combining and mixing the traditional gender roles. This means that men can assume a woman's role such as nurturing and they are allowed to be sensitive or compliant (Hofstede, 2012).

Women can also acquire a traditional man's role and they are always respected and recognized if the wish to be in a powerful position within the society or a company. Moreover, these societies promote the group decision making and there is usually a less stressful atmosphere in which cooperation and quality of life is always chased and men and women are seen as equals (with the same rights and opportunities).

Nowadays, in the business world, in countries such as Japan or the Arabic countries, there is not the same acceptance if they deal with a foreign businesswoman than dealing with a man. In case of working in a company from Denmark (feminine society), it won't be very clever to send a woman to deal with a Japanese or Arabian firm , as they are known for being non-flexible masculine countries.

Table 3: Masculinity and Femininity summary

Masculinity	Femininity
Gender roles are distinct: assertive (men) or nurturing (women)	Gender roles are fluid: nurturing for both genders
Main focus → competition and performance	Main focus → co-operation and environmental awareness
They seek wealth and ambition is what guide them	They seek quality of life and service is what guide them
Live to work Sympathy for success	Work to live Sympathy for the unfortunate
Mind-set: independence	Mind-set: interdependence
Managers are decisive and assertive	Managers are intuitive and promote consensus
Example of country: Japan	Example of country: Netherlands

Source: Own elaboration. Information obtained from *Hofstede-insights.com (2019)*

We can appreciate which regions approach to those kind of societies in which gender roles are totally different in the following picture.

Figure 3: Masculinity and Femininity World Map
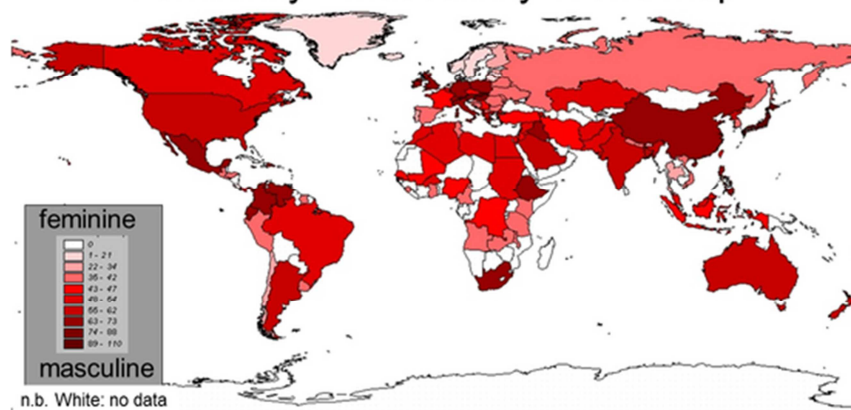
Source: Geerthofstede.com

4.4 Uncertainty avoidance (Low - High)

When we talk about the dimension of uncertainty avoidance we are analysing the tolerance limit of ambiguity and unexpected changes. This term also refers to which extent are people able to deal with anxiety and if their decisions are risky or not.

 On one hand, when people tend to guide their lives avoiding any kind of risks and make it more predictable, we are talking about someone that belongs to a high uncertainty avoidance society. These types of countries have a really low acceptance rate for risks, ambiguous situations are normally avoided and any kind of change in their daily routine is always a problem. In the business world, in a company where most of their employees come from a high uncertainty avoidance country, there will be a huge resistance to change in case the firm wants to evolve by making sudden and non-predictable operations (Hofstede, 2010).

Apart from that, low uncertainty avoidance regions usually try to have everything under control and make sure that every single detail of their plan is accomplished in the way they prepared it. That is why there are a lot of regulations in these countries and conflicts or new proposals are denied (Chris Smit, 2016).

On the other hand, in high uncertainty avoidance societies, situations of competition and conflict are totally accepted. They believe that having rules and avoiding conflict are mere limits of the learning process. In other words, someone can participate in a conflict and develop a constructive conclusion. Apart from considering conflict as something positive, innovation is also one of the concepts that cannot be skipped or ignored in low uncertainty avoidance contexts (Hofstede, 2012).

In the business area, this cultural dimension is essential because it could determine the difference between success and failure. If you are a financial assessor and you aim is to make a financial plan for a company of South Korea (High uncertainty avoidance society), you must take into account that they do not like to take risks so you should focus on offering them a secure investment with a low grade of risk that can assure them some profit. In the case of, for example, Great Britain (Low uncertainty avoidance society) it would be the opposite situation. The assessor would make a plan of investments with higher risks but with the possibility of obtaining a larger profit.

Table 4: Low and High Uncertainty Avoidance summary

Low uncertainty avoidance	High uncertainty avoidance
Deviances and risks do not represent a threat	Deviances and risks represent a threat
There is a toleration of innovation	There is a resistance to change
There are less rules	Regulations are always necessary
Conflict can be constructive	Consensus is better than conflict
Rely on generalists and are guided by common sense	Rely on experts and are guided by knowledge
Hard work is not a virtue	Working hard comes from an inner urge
Example of country: Great Britain	Example of country: Singapore

Source: Own elaboration. Information obtained from *Hofstede-insights.com (2019)*

Here there is a map that basically sums up everything that has been said from this dimension.

Figure 4: Uncertainty Avoidance World Map

Uncertainty Avoidance World map
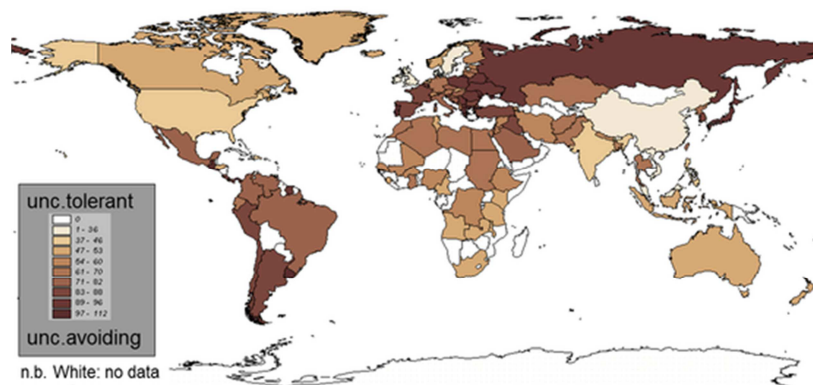
Source: Geerthofstede.com

4.5 Short-term orientation and long-term orientation

Before this dimension received this name, it was described as 'Normative (replaced afterwards by short-term orientation) vs Pragmatic (replaced afterwards by long-term orientation)'.

This comparison between opposite types of societies refers to the time period that people need to act or display. This time period is normally based on the rules of a society that, at the same time, come from traditions.

Countries like Germany, USA, Canada or Russia belong to the category of short-term orientation societies. They are characterized by focusing on the near future and they always persecute short-term success. They also consider more important the concept of present than the future situations. Apart from that they usually show a great respect for traditions and expect quick results. Investing in long-term projects is not an option for this type of countries and behaving in a modest way is the best option a human being could take (Chris Smit, 2012). The main questions that appear in these contexts are 'What?' or 'How?' as people from these cultures want to learn how to know what is true

Other regions such as Hong Kong, South Korea, Japan or Brazil are located on the opposite side of the ones mentioned before: in the long-term orientation societies. In this case, the people from these countries always tend to save money and they consider that patience is one of the most important virtues. Relationships are usually classified by status and the order established must be respected. As they are always keeping their eye in the future, loyalty and long term relationships are key values for them (Hofstede, 2010).

While in the other cultures the questions were always related to the desire of knowing what it true, in this case people tend to use the question 'Why?' far more times. Apart from that, instead of being modest, they consider that selling yourself is one of the main requirements that must be completed in order to be taken in a serious way.

Table 5: Short and Long Term Orientation summary

Short-term orientation	Long-term orientation
Loyalty depends on business needs	It is essential to maintain personal networks
Offer rewards according to the abilities or skills	Large social or economic differences are not good
Main concern → short-term profits	Main concern → future market position
Managers and employees do not share the same business goals	Managers and employees have the same aspiration
Example of country: Germany	Example of country: Taiwan

Source: Own elaboration. Information obtained from *Hofstede-insights.com (2019)*

5. **PATTERNS OF CROSS-CULTURAL BUSINESS BEHAVIOUR.**

Previously, we analysed diverse cultural dimensions designed and implemented by Geert Hofstede. These dimensions helped us to classify the world's cultural behaviour, especially in the business and trading area.

In order to complement the previous classification and go further beyond in the analysis, we will also include the study and dimensions that Richard Gesteland created. It is important to make clear that the dimensions used by R. Gesteland are not a substitution of the ones created by Hofstede. In fact, they are totally complementary and that is the reason why they are included in this project. It will be useful to combine both perspectives for the comparative analysis between countries that will take place afterwards.

Richard Gesteland is considered to be an expert in the world of negotiation, trading, marketing and management. He also combined all of those fields with the cultural behaviour based on all his experiences. Thanks to his travels, he was able to learn negotiating skills and saw how business between cultures took place. After all his journeys he had a complete vision of intercultural trading and also discovered that culture played a huge role on negotiations. Some of his more recognized participations as author or co-author in books are 'Marketing across cultures in Asia' or 'Global

Manager at Work', but he stood out due to 'Cross Cultural Business Behaviour: Marketing, Negotiating and Managing Across Cultures'.

Once he gathered enough information from different countries and their cultures he included in his book, the one that was mentioned before, diverse dimensions that were used in his research and that described the culture of a specific country.

This culture classification showed the next patterns:

- Deal-focused vs Relationship-focused
- Direct (low-context) vs Indirect (high context)
- Informal (egalitarian) vs Formal (hierarchical)
- Rigid-time (monochromic) vs Fluid-time (polychromic)
- Emotionally expressed vs Emotionally reserved

Furthermore, Gesteland highlighted in one of his most popular books, that was mentioned before, that there two main rules that must be followed in the business world and especially if an intercultural encounter takes place:

- Iron rule #1: The seller must always adapt to the buyer
- Iron rule #2: The guest or visitor must adapt to the host and his culture.

5.1 Deal- Focused vs Relationship-Focused

This comparison is considered to the most relevant one according to its own creator. The main idea while developing this dimension was to apply it to the business world and how people from opposite cultures behaved while working and how did they developed social skills and which aspects of creating networks were for them the ones to rely on.

On one side, there are the deal focused cultures. Another way of calling this part of the dimension is the task – oriented people. These types of cultures tend to be composed of persons that do not have any kind of problems if they have to make a first contact with a stranger or a foreigner (Gesteland, 2012). This situation usually takes place when a deal must be opened and both parts are not close enough. Deal – focused people would not mind making direct contact with distributors or end-users.

If a misunderstanding may occur, they will probably try to solve it by using the phone or the email, and resolving things orally is usually put as a last resort. In other words, for them, writing is the best way for dealing with problems with other people (Young-Libby, 2018).

Apart from that, before a business meeting starts, there is a brief period of time in which people talk about general aspects such as weather, economy or the current country situation.

On the other side of the dimension we have the relationship – focused side. Instead of being task-oriented people, they are considered relationship-oriented. This means that the relationships are far more important than the tasks or duties.

In this case, making direct contact with strangers tends to be avoided and is replaced by an intermediary that must be a high status person known by both sides. An international trade show is one of the best ways to make new contacts for relationship-focused people (Gesteland, 1999).

Moreover, the problem solving process always demands a face to face contact and they consider that an effective communication cannot take place while contacting someone by phone or email.

One key factor while having a positive meeting with a person from this culture is developing a previous rapport and gain the enough confidence with the other side.

There is a concept that is very well known in China called Guanxi. This word can be divided in Guan, which means 'gate' and xi, which means connection. We could reach the conclusion that 'someone 'one must pass the gate to get connected to networks' (Cheng, 2007).

This makes clear that relationships are vital for this people and strangers should first go through the 'gate' in order to be trustworthy.

Table 6: Deal and Relationship focused summary

Deal Focused	Relationship Focused
They are open to deal with strangers	Dealing with strangers is always avoided
First contact: directly with customers or distributors	First contact: rely on common intermediaries and during trade shows
Get to the point quickly during negotiations	Build trust between both sides before negotiating
Communication priority: talk with clarity	Communication priority: Avoid conflict and discussions
Problem solving process: telephone or email	Problem solving process: face to face
A lawyer must be in the negotiation process	Lawyers are not essential in the negotiation process
Reliance and confidence: Written agreement > Personal relationships	Reliance and confidence: Written agreement < Personal relationships
Cultures: North America, Nordic Europe and Oceania	Cultures: Africa, Arabian countries, Asia and Latin America

Source: Own elaboration. Information obtained from Gesteland (2012)

5.2 Direct (low-context) vs Indirect (high context)

This concept was originally introduced by Edward Hall, an American cross-cultural researcher and anthropologist. He developed this idea in one of his most recognized books: 'Beyond Culture' (1976). He also studied and explored the world of culture and social behaviour and the relationship that exists between them.

The direct and indirect comparison could be considered as a sub-dimension of the one from Gesteland explained above. It explains the importance of context while communicating with another person and how people in some cultures replace words for other communication alternatives such as non-verbal language.

As we already mentioned previously, deal focused cultures put effort on being direct and saying things in a clear way. They are known for making use of a straightforward

style and do not care if the atmosphere becomes more uncomfortable as they give priority to clarity (Gesteland, 2012).

On the other hand, relationship focused people always prefer to keep a friendly environment and focus on not embarrassing other people. That is why they do not like using a frank language as it may offend someone.

For cultures from the deal focused side, their counterparts seem to be dishonest, and dilatory due to the vague language they use. The concept of sincerity is located on the top of the priorities, so they must always tell the truth even if it is not as pleasant as they would wish (Dingemans, 2010)

For this reason is that they are considered by the relationship focused cultures as pushy or aggressive people. They have another meaning for sincerity, which is based on offering their help and service.

Another characteristic from high context societies is that they make use of non-verbal language every time they talk to someone. Aspects such as voice tone, eye contact or gestures hide a great part of the message that is being said orally (Gesteland, 2012).

In the case of high context regions, the meaning of the message is located in the words so anyone could be able to understand them without paying attention to the context and their non-verbal communication.

Table 7: Low and High context summary

Low context (Direct)	High context (Indirect)
Deal Focused	Relationship focused
Duration of communication: short	Duration of communication: long
They value speed	They value accuracy
Communication → way of sharing information or opinions	Communication → way of getting to know someone slowly
Learning method → follow orders and explanations	Learning method → first look and then practice
Message: direct/getting to the point	Message: indirect/beating around the bush
Cultures: Nordic and Germanic Europe, North America, Great Britain	Cultures: Southern and Western Europe, South America, Arab World and South Asia

5.3 Informal (egalitarian) vs formal (hierarchical)

This dimension from R.Gesteland is pretty similar to one that described G.Hofstede. In the previous point, we mentioned the conflict between low power distance and high power distance cultures.

We could say that normally, the cultures that are formal, also belong to the high power distance side and the cultures that are informal, also seem to be a low power distance society.

Hierarchical regions usually tend to use a more formal and respectful style in a conversation and they consider that remaining silent is a sign of respect. They also call themselves with their last names and there are some status barriers for four types of people: women, lower rank employees, a person involved in international sales and young people (Gesteland, 2012).

Gesteland gives some tips in order to surpass those barriers while dealing with a strict formal culture:

- Getting introduced by an older man
- Learn local business protocol
- Become an expert on your field

On the other hand, an egalitarian culture is characterised by not having those barriers and deleting any kind of difference in status. That does not mean that they are disrespectful, they just believe in equality and tend to provide the same opportunities to everyone (Gesteland, 1999).

The conflict may occur if someone steps in a business deal with a company or a person from a formal culture and do not respect the protocols and acts with too much confidence. This could mean a total failure of the negotiation process as a continuous informality may offend a high-status person from a hierarchical culture (Bucur, 2016).

This means that the informal cultures are usually the ones that must adapt to the formal persons, regardless of who the buyer or seller is.

Table 8: Formal and Informal summary

Egalitarian (informal)	Hierarchical (formal)
Informal communication is not seen a disrespectful act	Formal communication is a way of showing respect
Status differences are small and are considered as obstacles	Status differences are large and must be respected
Communication: use of names after the first meeting or even in that one	Communication: use of last names or titles
Buyer = Seller	Buyer > Seller
Low power distance	High power distance
Cultures: USA, Oceania, Nordic Europe and Canada	Cultures: Asia, Mediterranean countries, Latin America and Arabic countries

Source: Own elaboration. Information obtained from Gesteland (2012)

5.4 Rigid-time (monochromic) vs Fluid-time (polychromic)

While analysing this dimension we are including a concept that must be taken into account while doing business abroad: time. There are persons that understand punctuality and the use of time as something really valuable and that must be respected. These cultures belong to the rigid-time or monochromic societies.

One particular characteristic from these people is that they would rather do one single thing instead of doing multiple things at the same time. They consider that concentration and success can only be achieved through that way (Rutledge, 2011).

Moreover, arriving late to a meeting is considered a great lack of respect from the unpunctual person and they usually follow a fixed and very strict schedule.

On the opposite side, we have the fluid time cultures, also known as polychromic.

For them, punctuality is not an essential duty, so arriving a few minutes later is usually seen as something normal (Gesteland, 2012). They tend to follow a really flexible schedule and are easily distracted with improvised events. That is why interrupting a meeting is not conceived as something negative.

Polychromic cultures see rigid time people as slaves of time that do not have freedom to choose their act. In fact, they consider that having a tight schedule and a fixed routine is the death of creativity and is not an efficient way of working.

A curious aspect about these cultures is that if the seller arrives later than the buyer, it could be seen as a lack of respect. So being punctual is important while dealing with monochromic culture and in case you are the seller, also with polychromic societies.

Table 9: Rigid and Fluid time summary

Monochromic	Polychromic
Punctuality > relationships and people	Punctuality < relationships and people
Fixed and rigid schedules	Improvised and flexible schedule
Interrupting a meeting is considered quite disrespectful	Interrupting a meeting is seen as something normal and is quite common
Do one thing at a time	Do multiple things simultaneously
'Time is money'	'Time is not important and relationships are priceless'
Cultures: North America, Northern Europe, Germany, Japan and Hungary	Cultures: Africa, Arab world, Latin America, South and Southeast Asia

Source: Own elaboration. Information obtained from Gesteland (2012)

5.5 Emotionally expressed vs Emotionally Reserved

The emotions and expression are also taken into account in the dimensions of Gesteland.

On one hand we have the emotionally expressed cultures that, as its name says, they are characterised by making use of lots of gestures and a loud voice tone. When this situation takes place, the emotionally reserved societies find it too aggressive and they feel offended.

As we already saw in another dimension, the concept of silence also plays a big role in this case. For emotionally expressed persons, silence makes them feel uncomfortable and tend to talk more in order to avoid it, while the emotionally reserved cultures find it totally fine. The same thing happens with eye contact (Lim 2016).

Furthermore, proxemics is also a key factor that distinguishes both types of cultures. Depending on the country, the interpersonal distance may vary. For example, in the Arab World, Mediterranean region and Latin Europe they usually keep a distance between each other from 25 to 35 cm; in Asia, the rest of Europe and North America they keep it from 40 to 60 cm (Gesteland, 2012).

In the business world, these aspects must be taken into account in order to avoid any potential offense to the other part. For example, pointing at someone or something can have different meanings regarding of the culture, or using your left hand for shaking hands with a Muslim is great mistake as they consider it an unclean act.

Table 10: Emotionally expressed and reserved summary

Emotionally expressed	Emotionally reserved
Tone of voice: loud	Tone of voice: soft
Interruption is frequent	Interruption is disrespectful
Silence: uncomfortable situation	Silence: normal situation
Eye contact: direct → shows honesty and interest	Eye contact: avoided → shows respect and subordination
Interpersonal distance: low	Interpersonal distance: high
Touching behaviour: considerable	Touching behaviour: only handshake
Cultures: Mediterranean region, Latin America and Latin Europe	Cultures: East and Southeast Asia, Nordic Europe and Germanic Europe

Source: Own elaboration. Information obtained from Gesteland (2012)

6. CHARACTERIZATION OF THE COUNTRY CASE STUDY (USA VS CHINA)

The case that we are going to compare is the main cultural differences between USA and China.

First of all there will be a brief introduction of the current situation in both countries in order to move on to the contrast of the cultural dimensions that are more present in both of the societies. Once the comparison and analysis is done, there will be an exemplification of how some companies from one of those countries failed or had success while entering the other and which the main reasons were.

Both, USA and China are considered some of the world's strongest economies. There has always been a trade and economic war between both of them in the recent years and there have been some cases in which entering the Chinese market was almost impossible for some American companies and also on the other way round.

We can see one big difference in the people's behaviour based on the duration of the history of both countries. On one hand, China has more than 5,000 years of history and USA does not even reach 1,000 years of history. This fact has great influence in the way people think. In countries whose civilization is ancient, people tend to have a cyclic perspective of life. They are aware of the numerous fallen empires and dynasties that are replaced by others or that emerge again, so they are conscious that there are good and not so good economic and politic periods.

On the other hand, people from USA tend to follow the path of progress and instead of being cyclic they have a lineal way of thinking. That's why they only focus on moving on and improving everything.

It must also be pointed out that there has always been a resistance to the consumption of American products in the recent years in China. Moreover, in March 2018, the trade war between USA and China started. The main reason was that the current president of USA, Donald Trump, warned that he was going to put tariffs on the Chinese products. China answered by imposing more tariffs to more than 100 North American products.

This fact has definitely not helped to improve the international business relations with these two countries and it could also cause a decrease on the number of these relationships. As we can see in the next picture, until 2017, China has been the greatest USA trade partner.

Figure 5: USA Trade Partners
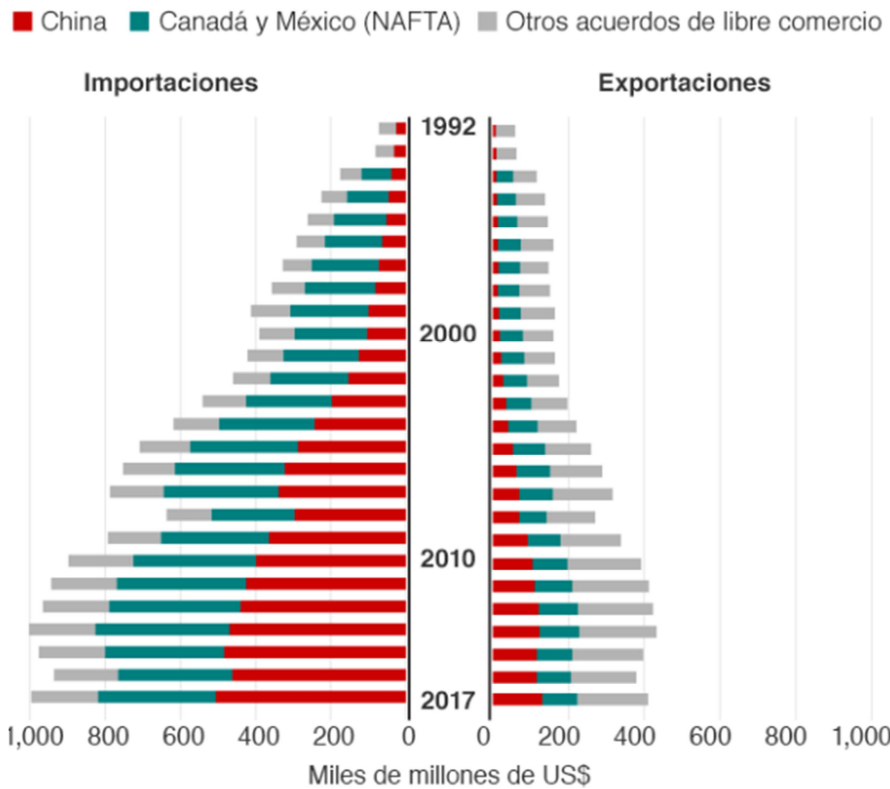
Source: BBC.com (2019)

6.1 Hofstede analysis

While developing this analysis the main focus and starting point will be the cultural dimensions designed by G. Hofstede along with the ones from R. Gesteland.

As we saw previously there were 5 dimensions that were implemented by Hofstede and we can clearly distinguish them in the next image.

Figure 6: Hofstede Cultural dimensions in USA and China
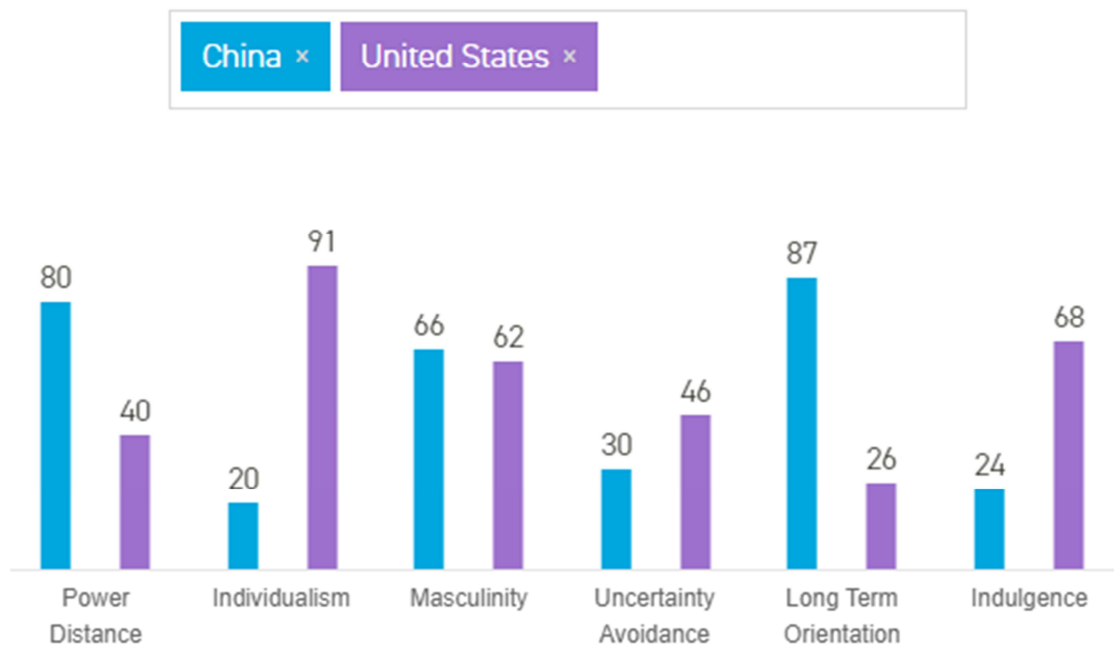
Before explaining and comparing both countries, it is pretty clear that there are large differences in most of the dimensions regarding both countries.

First of all, China shows a score of 80 in the power distance dimension. According to the Hofstede study, China is located in the ranking of high power distance score. As we explained before, power distance refers to the attitude that people from a certain culture have towards inequality (Hofstede 1980).

The meaning of having a high score in this dimension means that China's culture is characterized by being a high power distance society. Chinese people should not seek goals that are beyond their rank and they tend to accept inequality in terms of power, wealth and social situation.

Next to China, we can appreciate that USA has a score of 40. Compared to Chinese culture, USA approaches more to the low power distance side. This means that they prefer to have the same privileges within their population and superiors are located in the same level with the subordinates.

Moving on to the next dimension, we can look at the low score that China has, making clear that they are a collectivist society. Next to that, USA shows a totally different

situation, with a score of 91, showing that their culture has nothing to do with the Chinese one regarding the individualism dimension.

The low score of China is pretty obvious in this case. We already mentioned the concept of 'guanxi' and the importance of the relationships in the Asian countries. This case does not happen in USA. In that society, tasks prevail over relationships and everything functions based on the individual's needs and desires: decisions, identity, mentality and main targets.

Next, we can appreciate the only dimension in which both countries show a similarity: the masculinity. USA and China have a score of 66 and 62, respectively. That means that they are closer to being a masculine society rather than a feminine one. Even though that in USA they always try to maintain equality in terms of privileges, gender roles are usually distinct. They value a man if he is assertive and shows a great interest in competition or success and if he is ambitious. The same situation occurs in China. While men show all those characteristics, women are supposed to be more sensitive and emotional. Apart from that, hiding emotions and feelings and being calm are also important details that must be inherent in a man's behaviour.

Regarding the uncertainty avoidance index, we see again a difference between both countries. USA reaches the score of 46, which means that compared to Chinese people, they are not open to new situations that may change their current one. In the case of China, they are more tolerant with diverse opinions and they do not see risk as a big threat.

It must be said that analysing those scores from a global point of view, both countries do not approach to a high uncertainty avoidance society, but USA shows a greater tendency of avoiding risks and uncertain situations than China.

On the following chart comparison, it is visualized the long term orientation dimension. There is a really great difference between both countries as China has a score of 87 and USA shows a score of 26. It is quite clear that Chinese people focus more on the long term side. That means they put a big effort on analysing their position in the future market and the importance of maintaining personal networks is essential to reach synergies.

On the other side, USA seems to be in the opposite corner of the dimension. They shows a score of a short term orientation culture so instead of analysing the future and all the events that could take place, they prefer to focus on the immediate business

needs and goals in order to keep moving on. Depending on the current situation they vary their goals and targets and are more flexible if a change of objective is needed.

Last but no least we have a new dimension that was not included in the cultural dimension analysis that was done before. It was created and added to the rest of the dimensions later on and it is also known as the 6th dimension. This dimension has two different sides: indulgence vs restraint. According to G. Hofstede (2010), when talking about an indulgent society, we refer to 'a culture that allows free gratification of basic and natural human desires leading to enjoying life and having fun'. On the contrary, 'restrained societies suppress gratification of needs and regulate it by means of strict social norms' (Hofstede, 2010).

As we can see in the chart above, USA shows a score of 68. That means they are an indulgent society and tend to feel healthier and happier with their lives. Optimism and having an extroverted personality is also a characteristic of an indulgent culture, like the one we are talking about.

China shows a lower score with a 24, locating themselves in the side of a restrained country. This means they tend to have a stricter moral discipline along with a great work ethic. Apart from that, personal life control is not a priority and the main type of personality that people have is closer to introvert rather than extrovert.

6.2 Gesteland analysis

Table 11: Gesteland dimensions applied to USA and China

	USA	China
DF-RF	Deal focused	Relationship focused
Direct-Indirect	Direct/Low context	Indirect/High context
Formal-Informal	Informal/Egalitarian	Formal/Hierarchical
Rigid-Fluid time	Monochromic/Rigid time	Polychromic/Fluid time
Emotionally expressed-reserved	Moderate emotionally expressed	Emotionally reserved

Source: Own elaboration. Information obtained from R. Gesteland (2012)

As we already mentioned, USA was described as an individualistic culture. This means that they also belong to the deal focused side in the Gesteland's dimensions. Furthermore, deal focused societies are usually characterised by being also low context or direct cultures. They would rather say things as they truly are even if the other side feels offended.

While USA shows those characteristics, China seems to be a counterpart of what we already analysed. In this case, they were classified as a collectivistic culture where relationships were essential. So it is pretty obvious that they are also a relationship focused society because of that. Moreover, as they are a relationship focused culture, Chinese people shows a high context (indirect) behaviour. They prefer to hide and avoid conflict and some things are not said in order to not harm someone.

Chinese culture also approached to the side of high power distance. In this dimension, China showed a great number of privileges and a huge gap of inequality depending on the status of each person. This dimension from Hofstede is accompanied by another one from Gesteland known as formality vs informality. In the case of China, they are seen as a formal or hierarchical country, as they were also defined as a high power distance culture. Showing an informal behaviour is considered an offense for these kinds of societies. We already saw that in high power distance cultures the status of a person is really important. In formal societies it has exactly the same relevancy and it must always be respected and communicating in a formal way is the proper way of behaving while dealing with a foreigner or talking to a superior. In China, using the last names or someone's title is also considered part of the protocol.

On the contrary, in USA they do not pay much attention on those formal aspects. They focus more on creating an informal atmosphere as they think it is the best way for getting good results and building a quick relationship while dealing with a stranger. They see formality and status differences as a great obstacle for business operations.

Regarding how time is viewed, China belongs to those who see time as an obsession and do not want their lives to be guided by time schedules or concrete time periods or lapses. That is why they are a fluid time or polychromic culture.

In the case of USA the situation is a completely different case. Time is essential and is normally located in the centre of everyone's activities. Following a fixed schedule is really common and the length of a meeting or arrangement must always be respected. This type of country is defined as a rigid time or monochromic region. They tend to think that countries like China (polychromic) have a great lack of organization and rudeness or laziness are some adjectives that they use to refer to them. On the other side they consider North American countries (monochromic) as arrogant people that act like robot, following always time patterns.

 Finally, we have the last dimension in which China is included in the side of emotionally reserved countries. Silence does not make them feel uncomfortable and

Chinese people are not known by using lots of gestures or showing a strong eye contact.

USA, based on the analysis and research from Gesteland, is not a 100% emotionally expressed culture. They seem to be more moderate but they do not approach to emotionally reserved side as China does. In terms of interpersonal distance, both of the cultures prefer to keep a greater distance than the one from the 100% emotionally expressed. Normally this distance is located between 40 and 60 cm. Surpassing this limit may be a bit pushy or aggressive, especially for Chinese people (Gesteland, 2012).

All of these factors that have been mentioned are really important in the business world if there is a contact between USA and China. If a business meeting or negotiations takes place between two representatives of each country, being cautious with all this details we analysed in all of the dimensions could determine a great success in the business operation. The same thing happens in the advertising field. Entering a new market in a new country is sometimes risky if cultural aspects and the way they see the company's country is not taken into account.

6.3 Negotiations

During international business operations the negotiation process is one of the most important ones when there are two companies or groups of people that want to start a business relationship.

When dealing with Chinese people, being patient is really necessary if success must be reached. It must be taken into account that China was a relationship focused and a fluid time culture, so a rigid schedule will probably not followed by them. A lot of hours could be spent during this process and once an agreement is reached, they will call their superior and the whole process could begin again (Yemisrach Kifle, 2010). Avoiding deadlines would be also a positive point while the negotiations are taking place.

As we already saw, getting a high-level contact would make things much easier. China belonged to the group of hierarchical and high power distance societies, so getting introduced by a person with a high status in their environment will be seen with admiration by the Chinese negotiators.

In the case of North American negotiators, they tend to follow a forceful, explicit and results oriented style (Nigel Quinney, 2002).

They showed in almost all the dimensions totally different results compared to the ones from China. In terms of time and time scheduling, they prefer to have everything under control and be loyal to the time lapse that was designed for the whole process.

A large silence period will make them feel a bit uncomfortable as they are a moderate emotionally expressed cultures. That is why they prefer to be more direct and the pace of the negotiations tends to be faster.

As we can see, a business deal between these countries could take place only if everything is taken into account and each side has analysed the culture and traditions from the other one. This also depends on who the buyer and seller is, because the normally the seller should adapt to the buyer as well as the guest should do the same with the host (Gesteland, 1999).

While a negotiation is taking place, when everything is almost finished, it is quite common to give some gifts if the results are satisfactory. Businessmen should also be aware of the problems that a bad gift could have. If an American business person gives to his Chinese partner a clock, he will not be really happy and the negotiations could have a bitter taste. In China, the clock symbolizes the running time that leads to death.

These small details should not be forgotten as they may have a negative effect on the negotiation's results.

6.4 Advertising

Culture also determines the way marketing and the advertising are designed. Depending on the culture and the dimensions they belong to, the way of transmitting the message follows different paths and uses diverse elements to gain force and convincement in what is being said.

For example, we already know that collectivistic cultures usually rely more on relationships and groups rather than in an individualistic way of thinking. That is why advertisements in those kinds of regions, like China, should emphasize on the concept of family and communities. In these countries with a high power distance and a great grade of collectivism touching topics like religion or politics is not the best option while making an advertisement.

Figure 7: Collectivistic Chinese advertisement

Source: Flickr.com (2010)

In masculine, individualistic and medium uncertainty avoidance societies such as USA, they tend to make use of humour in their advertisements instead of metaphors or indirect language (Hofstede, 2010). The use of comparisons is also quite common along with the image the presenter or characters give to the audience. Moreover, making use of individualistic personal pronouns like 'I', 'You', 'Myself' and so on, is also a typical way of doing marketing.

Figure 8: Individualist US advertisement

Source: Californiamarkt.com (2015)

6.5 Real cases

While continuing with its expansion, one of the most powerful and known sport brands, Nike, decided to introduce a new product in the Chinese market. As it was already mentioned several times, USA companies have a great difficulty while entering a country like China.

They thought that in order to surpass this dense barrier, using some Chinese words and putting them in the front side if the product would be a great idea. As the new product were a pair of sport shoes, putting two key words related to the healthy and sporty lifestyle was considered to be a great strategy for gaining all the consumers' satisfaction.

The main idea was to put two different words (each word in each shoe) with a distinctive color so it could be seen by everyone. The word located in the right shoe was 'Fa' (發), which means 'good fortune', while the one located in the left shoe was 'Fu' (福) that is related to the concept of 'wealth'.

Until now, everything seems to be fine but taking a closer look; everybody will realize that this idea was not as brilliant as it was supposed to be. The thing is that reading or using both words in a sequential way the meaning changes radically. Instead of meaning wealth and good fortune, it says 'becoming fat'. Even though all of this happened, Nike is still one of the foreign sport clothes companies that succeeded on being the on the top of his market.

Another case in which a North American company did not have success in the Chinese region was Facebook. Everybody knows what Facebook is and what does it consist of. All around Europe and America and almost all the world, there millions and millions of users that share their information and communicate with each other while using this social media. The thing is that in China, this application is totally blocked and can only be used through a VPN (Virtual Partner Network). As we mentioned at the introduction, China usually avoids the consumption of products made by USA companies but in the case of the apps and social networks, this is quite exaggerated. Apart from that, there is another application that has been much popular in China, called WeChat. This is not only used as a way of communicating with someone but also as a personal wallet. Due to the innovations that WeChat is usually designing, Facebook is considered by many people from China as an incomplete social network. If we put together this fact and the

hostility of China's government against foreign companies, the difficulty for Facebook of entering this market is pretty obvious.

McDonald's is also another huge USA company that has expanded worldwide. As a food franchise they have reached every single corner of the world. In order to achieve it, they had to modify and make special offers that adapted to the countries' desires and typical food. Originally, this North American Company did not face a complete failure. When they first settled in Beijing back in 1992, the customers were not unsatisfied and thought that the food they offered was tasty. The ones that belonged to the lower economic class thought that it was the best opportunity they had to test how USA food culture was like. They could not afford travelling to the other continent so this was a cheap way of feeling the American culture.

Some years later, specifically from 2007 to 2016, Mcdonald's did not grow as much as they did before. The managing director for Shanghai market consultancy CMR China stated that this happened because 'Chinese people became more sophisticated' and that 'if they want Western food, they can go to America'.

As we can see on the following image, the local company showed a bigger increase in their market share in between those years.

Figure 9: Fast food market share in China
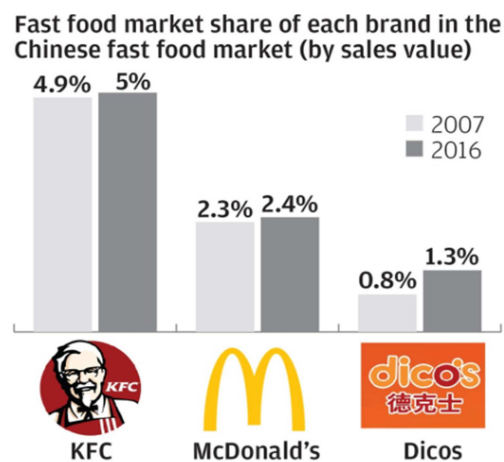
Source: Scmp.com (2017)

7 CONCLUSION

We have seen during all this project different ways of analysing the culture of a region and how their characteristics are transmitted to the people's acts.

The different cultural dimensions that were mentioned and explained helped us to understand how every world's region is classified and what their main differences are and how these differences could influence an intercultural meeting.

One thing that must be clear is that there is no general and 100% exact or accurate way of classifying a culture and determining the way people from that specific region behave and what would they do or not do in a certain situation. That is almost impossible to measure as each person acts as an individual and has lived a unique set of experiences. That is why designing a perfect model that takes into account all those aspects is completely utopic.

As we said, those models were born both of the author's travels, studies and analysis of all the world's cultures. As these prestigious authors were basically focused on the marketing and international sales world, they wanted to point out how culture influenced the business world and how important it is when it comes to business relationships.

The cultural dimensions that were shown previously were really helpful and useful for developing this project. Thanks to them, we learnt which are the main aspects and actions that should be done or avoided, depending on the situation and the country we have in front of us. Moreover, taking into account other small details is as important as the main and most obvious cultural differences. For example, being a bit cautious with the negotiations or meeting gifts or putting more effort on discovering the problems that an advertisement could cause, such as the Nike one.

Once we have reviewed everything, including the case of China and USA, we can state that the culture has a huge impact on the intercultural relationships and especially in the world of international business.

Just by analysing the country case study of USA vs. China, we can see that a foreign culture is always perceived as something new and sometimes difficult to accept in some regions by the host. The behaviour and way of saying something can lead to a misunderstanding that, at the same time, could become a complete catastrophe.

On the other hand, if everything is respected and all the cultural issues are studied, the business relationship will be quite successful.

It is important to remind ourselves that the basis of the international business relations are the two iron rules that Gesteland established: while being the guest, the seller or both of them, you must always adapt to your customer or host. This means that you should avoid your personal desires and usual behaviour and analyse the other culture and its patterns along with all the possible offenses that could be perceived as something normal for you.

In order to sum up everything, we can establish that if there is a negotiation between two sides from different cultures that may collide, if there is no adaption from one side to the other, the business relationship will be a failure. With this affirmation it is pretty clear that the role of culture in the business world is even greater than it seems.

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