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### **WHEN IN ROME DO AS THE ROMANS DO: IS IT A REALITY OF BUSINESS LIFE?**

#### **Abstract:**

Every aspect of our scientific life is subdued to accelerated development and with the internationalisation of the economy the area of intercultural communication still possesses great potential for research. Both researchers and professionals emphasise the importance of knowledge of different cultures and they agree that globalisation has brought the growing trend to work - virtually and/or face-to-face - with people from different cultural backgrounds.

The research to be discussed in the paper is a part of a complex research conducted in 2013. The main objective of the research is to help companies to work more effectively.

The purpose of the present paper is to demonstrate the results of a survey conducted with Hungarian professionals who are in business contact with partners with different cultural backgrounds. This paper focuses on demonstrating how culture influences behaviour in international setting where business partners have differing values, attitudes and norms.

The data was collected with the aid of a research questionnaire (more than 300 respondents). The respondents were asked to answer close-ended and open-ended questions making choices among a set of alternatives focusing on their attitudes in several business situations. The data was entered into the SPSS programme and analysed using appropriate statistical methods. The findings reveal that companies seem to find it difficult to adapt their messages to suit different cultural groups but there are new approaches with promise the most success for communicating and working effectively in international business settings.

#### **Keywords:**

international business setting, different cultures, attitudes, behaviour, miscommunication

**JEL Classification:** F69, L29, F23

## Introduction

Globalisation, trans-border trade and cross-cultural business are all terms that have been coined over the past decade(s) to reflect the reality of the world economy (Ablonczy-Mihalyka 2009). Globalisation is a term that provokes strong reactions, positive or negative but globalisation is praised for the new opportunities it brings.

In the globalising world, more managers and professionals are required to interact with individuals from other cultures, make and maintain intercultural connections, work in culturally mixed environments, and perform tasks with counterparts in different countries that require intercultural skills involving understanding and sensitivity to different cultural perspectives (Brannen et al 2009). So, the ability to communicate across cultures and understand diverse perspectives is a necessity in order to achieve a competitive advantage in our global economy.

Companies that work in multicultural environment face several challenges in their everyday business life. Hofstede's advice has to be taken into consideration to approach the characteristics of working in multicultural business setting: "*The principle of surviving in a multicultural world is that one does not think, feel, and act in the same way in order to agree on practical issues and to cooperate*" (Hofstede 1991, 237).

We test the hypothesis that companies that work in multicultural environments are subject to communication barriers due to different cultural backgrounds. This paper intends to deepen the notion of misunderstanding and seeks to describe the results of a survey conducted with Hungarian professionals who are in business contact with partners with different cultural backgrounds. Different cultures have differing values, perceptions and philosophies. As a result, certain ideas may have very different connotations for people having different cultural backgrounds. It has been proven that it is essential to behave efficiently with people coming from different social backgrounds, either we are discussing about verbal or non-verbal interactions.

## Theoretical background

Intercultural business communication is not a new field. Its founders, Hall (1959), Hofstede (1980), and Trompenaars (1993) established a framework for approaching different cultures, and developed concepts (among others) such as high and low context cultures, individualism versus collectivism, uncertainty avoidance, ascription versus achievement.

It is frequently pointed out that one's intercultural communication competence is context-dependent. A big difference in how communication is carried out in business contexts as opposed to other contexts is that "*business people need practical immediately applicable business tools that will help them solve business communication problems*" (Tomalin 2009:115). In other words, no matter how much knowledge of intercultural communication you have, the knowledge will not be meaningful unless you can utilize it in actual interactions. Also, even if you can analyse problems, you have no chance of succeeding in the business world unless you can find solutions to problems. Therefore, the focus of intercultural communication

in business should be on helping people find solutions; that is, utilizing a "*process of co-constructing 'better' (rather than right, wrong, good, bad)*" (Jackson & McKergow 2002:179).

However, while a large number of researchers have looked at cultural variables that affect intercultural business, the emphasis is typically not on the intercultural business communication process or linguistic issues but instead on cultural attitudes (see: Haire et al 1963; Laurent 1983; Trompenaars and Wooliams 2003; Konczosné Szombathelyi 2003; Konczosné Szombathelyi 2007; Bencsik et al. 2012.).

In the 90's the author of the present paper with the lecturers of the Department of International Communication at Széchenyi István University, Győr started to review the existing literature on intercultural communication to be prepared for designing courses for MA and BA students, therefore to do research in Hungarian business setting where Hungarian professionals have to face new challenges in international business settings. Its importance can be highlighted by Hall's definition (1976, 86): "*The problem lies not in the linguistic code but in the context, which carries varying proportions of the meaning. Without context the code is incomplete since it encompasses only part of the message*".

Between 2007 and 2009 our department's complex research theme *The dialogue of professional, organisational and national cultures* belonged to the major research lines of Széchenyi István University. The examinations carried out within this theme aimed at intercultural competence, language use and professional skills and their results were published as book chapters or articles in specialist journals or conference proceedings (e.g. Ablonczyné Mihályka 2008a, 2008b, Ablonczy-Mihályka 2009; Ablonczyné Mihályka and Tompos 2008, 2009; Tompos 2009a, Tompos 2009b, Tompos 2009c.; Náдай 2012.).

Other investigations and results have been studied, qualitative and qualitative approaches have been considered for formulating our approach to the topic in question (see for example: Du-Babcock 2013; Derkun et al 2010). The author of this paper believes that Quills's model (2010) need to be considered who argues that cultural differences ought to be viewed as opportunities to achieve synergy and to enhance effectiveness, not as obstacles to overcome. To create a synergistic organisation, that values and uses difference, management must employ an intercultural communication framework and develop an organisational intercultural competency.

## **Aim, method and research questions**

The results of this paper are part of a wider research which was conducted in 2013 in Hungary. The aim of the present paper is to demonstrate the results of the survey and to focus on demonstrating how culture influences the behaviour of Hungarian professionals in international setting.

The data collection was carried out with the aid of a research questionnaire which had four parts:

- language use in internal and external communication
- miscommunication resulting from cultural differences

- culture-affected characteristics of conflict management, decision-making, internal and external behaviour
- the use of negotiation tactics and their contextual/situational variables.

This paper deals with the second part of the research: i.e. it focuses on the communications patterns in intercultural business settings. The sample consisted of 265 respondents but after examining the responses, the final sample contains 250 respondents. 15 questionnaires did not meet the criteria which required that the companies should be situated in a certain geographical area, i. e. in the West-Transdanubian Region.

Formulating the research questions we agree with the traditional notion which was exemplified by Scollon and Scollon (2001) who explain how individuals from different cultural groups communicate differently as a consequence of their different worldviews and norms of behaviour.

Core research questions included the following:

- cultural differences affect several aspects of internal and external organisational communication
- there are misunderstandings in communication even you use English as a lingua franca
- there is a gap between generation how to communicate in multicultural business setting
- historical past is not an important factor when business professionals representing two/or more cultures have to cooperate.

## Respondents and sampling

The quota sampling was chosen as the most relevant sampling technique wherein the sample has the same rates of individuals as the population regarding certain features like the age. In this case, the quotas were the proportions of economic sectors on an assigned territorial area according to the data of the Hungarian Statistical Office. The following table shows the characteristics of the sample and the base of the quotas.

**Table 1: Characteristics of the sample**

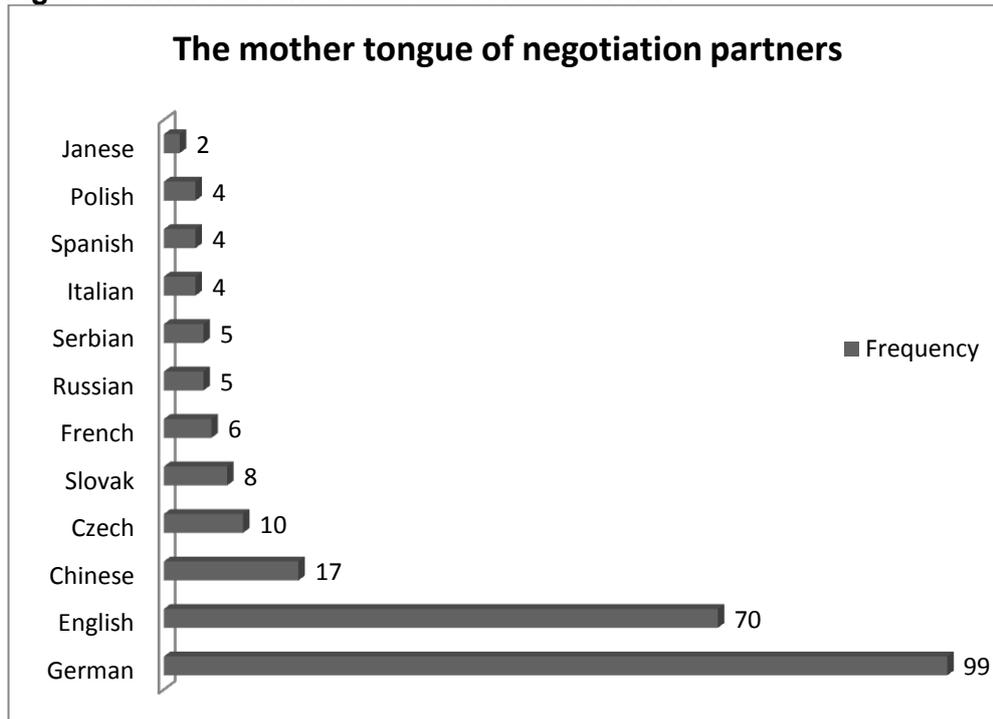
Sectors	West Transdanubian Region (HSO, 2011, %)	Sample of research (2013, %)
Services	75,70%	68%
Industry	8,40%	25,20%
Agriculture	4,60%	3,20%
		No data: 3,6%

*Source: Compilation of the author based on the data of Hungarian Statistical Office (2011)*

- 125 male and 114 female responded on the questions of the survey, and they are mostly in the age between 20 and 35 (62.8%).
- The companies and/or the enterprises where these respondents work are located in cities with county rights (N=155).
- 32.8% of companies can be founded in other towns within the Region.

- Most of the companies (54.8%) are big companies, hiring more than 250 employees and the rest are small- and medium-sized enterprises (43.2% altogether).
- Many companies in the sample are foreign-owned (56%), the proportion of Hungarian enterprises is 34%, and the other 8% are joint ventures. This information can be supported by the fact that this region is in close geographical proximity to Austria and Germany and this region gives home for many companies coming from these states and culture.

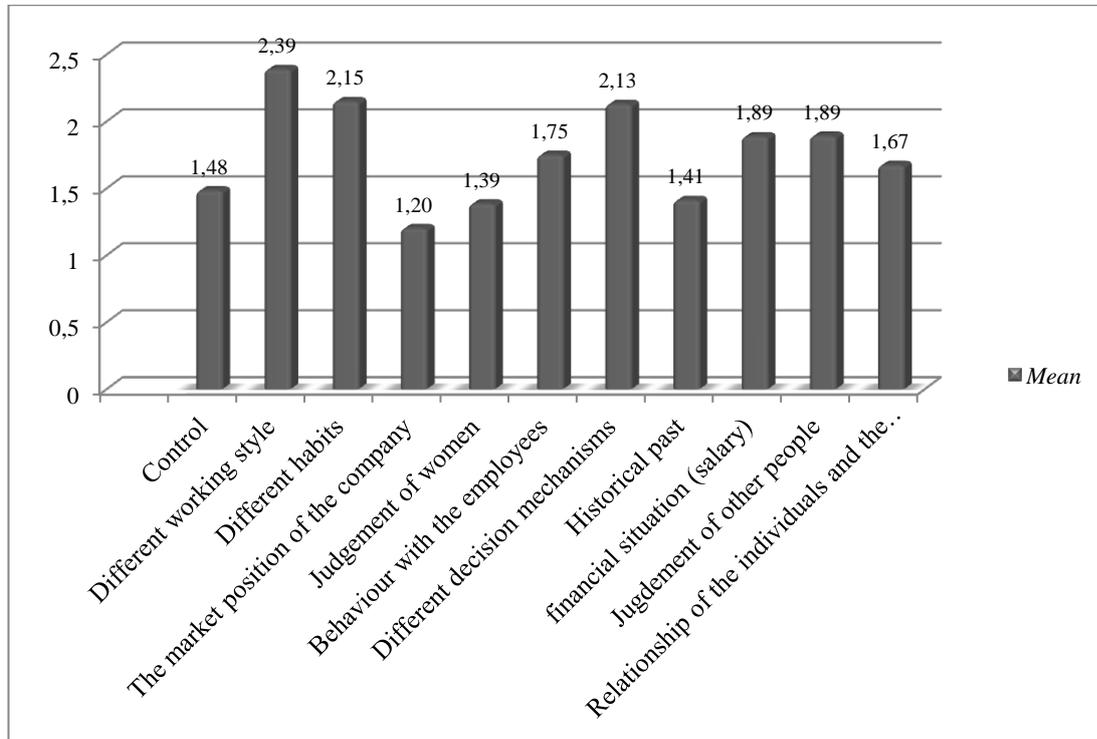
**Figure 1 Where are the business contacts from?**



The figure 1 shows which nations the respondents cooperate and/or negotiate with. 93.6% of the respondents work together with foreigners in their workplace but according to the type of cultures and nations, the picture is very varied. The most relevant business partners/contacts are from German speaking countries (n=99) but there are also many respondents who are in contact with partners from English speaking countries (n=70). The proportion of Chinese is also very high (n=17) and also the neighbouring countries' languages have quite high rates, for example Serbian or Slovak.

## Findings and Discussion

The respondents are all competent in answering the questions because they are working in a multicultural environment and they need some intercultural knowledge in their work. The respondents had to evaluate some sources of conflicts in business setting due to cultural differences on a scale. Figure 2 represents these sources of conflicts that may occur when people with different cultural backgrounds work together and it also shows the means of the responses.

**Figure 2 Sources of conflicts in a multicultural working environment**

Examining the means, it can be seen what kind of main sources of conflicts are in such situations when people with different cultural knowledge cooperate. Some statements have high mean rates – these are the sources of conflicts of which labels contain the term ‘different’. The different working style (mean is 2.39) and the different decision mechanisms (mean is 2.13) cause misunderstandings according to the answers of the respondents.

Comparing the evaluation rates of these statements with the age of the respondents, significant differences were not seen between the three age groups, except three cases. With the aid of cross tabulation analysis, it can be concluded that the following three cases show some differences regarding the age.

The first is the different working style – according to the majority of people between the age 20 and 35 this is a very often source of conflicts (N=89), while the majority of people between the age of 35 and 50 years think that this is the less relevant factor in conflict occurring. As the value of Chi-square test is 16.3 and the significance ( $p=0.038$ ) is less than the 0.05 value, the hypotheses can be accepted that there is relation between the two variables.

The second main difference between the generations' thinking is about how to behave with employees. The younger respondents (20-35 age group) hold that this could cause conflicts many times but according to the majority of older professionals (36-50 age group) this factor influences only several times the conflicts. Since the value of Chi-square test is 24.53 and the significance ( $p=0.02$ ) is less than the 0.05 value, the hypotheses can be accepted that there is relation between the two variables.

Finally, in the case of historical past we can also face intergenerational difference. The younger respondents and the members of the middle age group share the same opinion, i.e. according to the majority of these two groups the historical past is not a determining factor of conflicts. Respondents above the age of 51 do not agree that the historical past often is one of the sources of conflicts when different cultures meet. Since the value of Chi-square test is 16.66 and the significance ( $p=0.034$ ) is less than the 0.05 value, the hypotheses can be accepted that there is relation between the two variables.

If the gender is compared to these statements, there is only one significant difference between the opinion of males and females – this is the judgement of women. According to the majority of males, this factor is absolutely not a source of conflicts in business setting while women see it otherwise. From their point of view, it sometimes occurs that it can cause a problem on the workplace. Since the value of Chi-square test is 13.508 and the significance ( $p=0.009$ ) is less than the 0.05 value, the hypotheses can be accepted that there is relation between the two variables.

## **Conclusion and implications for further research**

The present paper is only one of the approaches to see and analyse intercultural communication but it is *the* approach which is important from the individuals' and the enterprises' perspectives. This paper argues for a reevaluation how we approach the topic of intercultural communication and for the greater emphasis on successful corporate communication as the goal of better understanding in and out of organisations.

The multicultural makeup of organisations is one of the main causes of the communication breakdowns that today's organisations are experiencing. And these communication failures can be an obstacle to fulfilling corporate goals.

The main contribution of this work lies in demonstrating the fact that cultural barriers can exist and inhibit successful business even in environments in close socio-cultural and geographic proximity.

The analysis revealed a number of communicational barriers due to cultural differences. It is proven that during the interactions there are not language problems any more but there are problems caused by cultural differences. If cultural differences can not be discussed they can not be managed – neither to avoid misunderstandings. It is crucial to get to know the cultural background of all the participants in the communication process.

The respondents highlighted that in the 21<sup>st</sup> century globally employable professionals are needed who do possess intercultural empathy. This is already an urgent need in the business world where multicultural encounters have become a common practice.

Further research in this field, focusing on different organisations and cultures, would also be beneficial, as it could provide additional valuable assistance to organisations wishing to participate in international business.

The current research might have a long-term impact by allowing future researchers to draw upon an enlarged knowledge base and for academics and business practitioners to develop and implement programmes that facilitate international and intercultural communication. Therefore, the findings might be used by academics in university settings to design courses and to develop teaching materials that relate to real world needs of international business actors.

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