The Role of Culture in International Peace-Keeping and Business Operations

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Abastract

This paper presents and analyzes the effects that the multiplicity and diversity of cultures have on the smooth and normal operation of multinational peace-keeping forces or of international firms in a foreign country, and makes relevant recommendations.

Keywords: Culture, multinational peace-keeping, International Business

Multinational peace-keeping and multinational business efforts are often impeded by cultural barriers in several countries. This is manifested in many forms, from the diversity in language, education, religion, social values, politics and material culture to differences in attitudes towards various factors of human relationships. The impact of these cultural barriers on multinational peace-keeping forces or multinational business enterprises is reflected by poor public image, minimal achievements and, ultimately, unsuccessful termination of operations. The purpose of this paper is to present and analyze the effects that the multiplicity and diversity of cultures have on the smooth and normal operation of multinational peace-keeping forces or of international firms in a foreign country.

Multinational peace-keeping operations constitute a major component and an important aspect of the philosophy, methodology and directions of major international organizations. Peace-keeping operations are considered to be complementary to other activities aiming at peace, especially to political methods for resolving conflicts. It is understood that peace-keeping forces involve a wide range of both military and humanitarian activities. An underlying and fundamental common aspect of such operations and activities, however, is that they involve human beings; these individuals have their own culture.

It seems that preparation for and support to modern multinational peace-keeping operations fail to provide the participants in peace-keeping forces with concrete data, knowledge and practical skills needed to overcome cultural blocks to effective peace-keeping operations. As an example, we can mention the rather unsuccessful multinational peace-keeping operation in Somalia that took place some years ago. It is interesting to notice that the Italian participants in the multinational peace-keeping forces were more effective and successful than other participants from other countries. One of the reasons was the fact that Italy had a long history of involvement with Somalia, something the resulted into a better understanding of Somalia's indigenous culture by the Italians, and vice-versa.

A similar situation is also observed with International Business. While theoretical courses in International Business analyze the underlying factors of a global environment, they fail to provide concrete data and practical skills needed to overcome cultural blocks to effective business endeavors. Many business executives tend to ignore the cultural aspects of doing business abroad as unimportant, vague and non-quantifiable variables, that will eventually be taken care of, if proper and efficient managerial and marketing strategies are followed. The economic performance of every global business depends heavily on economic factors such as income, prices, tastes, extent of market, prices of related goods, the managerial and marketing factors, and, lastly but not least, on the socio-political setting within which the business firm is doing business. The business firm must adjust its business strategy, its administrative and corporate structure, to meet the demands imposed by the environment. The environment adjustments by a business firm in a multinational setting are far more difficult and complicated than those within the firm's own environment. The firm's global environment is composed of forces external to the business firm, that is, forces that are neither as controllable nor as predictable as the firm's corporate environment. A business is affected by three groups of environmental factors: Economic, Physical and Culture (Tepstra1985). The cultural environment becomes a very serious challenge to the executives to overcome blinders imposed by their home culture. Transcending these limits is a formidable but essential task, if operations in foreign countries are to be successful. Cultural briefing can never teach you everything you need to know. Proper training, however, can help you to be cosmopolitan and to know how to learn what you need to know about a foreign culture environment.

Definition of Culture

According to Edward B. Tylor (as early as 1871) "culture is that complex whole which includes knowledge, belief, art, morals, law, customs, and any other capabilities and habits acquired by man as a member of society". Kroeber and Kluchohn (1963), concluded after surveying 164 definitions of culture that the consensus among social scientists is that "culture consists of patterns, that are either explicit or implicit and of behavior that is either acquired or transmitted by symbols. Culture also expresses distinctive achievements of human groups, including their embodiments in artifacts. The essential core of culture consists of traditional ideas and especially their attached values". According to Hall (1976), there are three characteristics of culture which most of social scientists agree upon: "… culture is not innate but learned; the various facts of culture are interrelated; also culture is shared, in effect in many cases, it defines the boundaries of different groups".

So, what is the Cultural Environment of Multinational Peace-Keeping and International Business? *Cultural diversity* and *cultural relativism* are important and vital issues, an overlook or disregard of which may be detrimental to the successful outcome of international business (Haviland 1991). *Cultural relativism* is the thesis that because each culture is unique, it can be evaluated only according to its own standards and values. The unacceptable belief that one's own culture its superior to other cultures, and the practice of one to evaluate others' cultures according to his/her own standards and values, is known as *ethnocentrism*. *Cultural relativism* means that morality, for example, is relative to particular cultures, societies or communities. There is no standard to help us judge the morality of a particular culture, therefore the best one can do is to learn and understand the particular moral codes and customs of a given society. The challenge for executives of multinational firms is to gain a better

understanding of the cultural environment of international business and adjust to the culture of the countries in which they are operating.

A multinational peace-keeping force or an international business firm needs to be aware of several dimensions of the cultural environment of the country within which it is operating. These dimensions represent points of contrast and suggest paths, by which one or another aspect of the cultural environment may pace demands on a multinational peace-keeping force or enterprise. The five most important dimensions of the cultural environment that are relevant for multinational peace-keeping or international business are as follows:

1. *Cultural Variability*, which refers to the degree to which conditions within a culture are changing at a low or high, and unstable or stable rate. Variability is, therefore, a function of two components: rapidity and stability. The variability is great when the values of change are simultaneously high and unstable and low when rates are both low and stable.

2. *Cultural Complexity,* which refers to the degree to which understanding of conditions within a culture is dependent on the possession of contesting background data.

3. *Cultural Hostility*, which refers to the degree to which conditions in a culture are threatening to organizational goals. The extent of hostility will depend on the perceived acceptability and legitimacy of the firm.

4. *Cultural Heterogeneity*, which refers to the degree to which separate cultures are dissimilar or similar. Business diversification will depend on the degree of heterogeneity of the countries in which a multinational firm operates. Business firms functioning in diverse environments tend to establish decentralized, semi-autonomous operating units to deal with them.

5. *Cultural Interdependence*, which refers to degree to which conditions in one culture are sensitive to developments in other cultures. Advances in communications and transportation, changes in factors' mobility, expansion of regional economic integration, and growth of cross border economic exchange have all served to increase cultural interdependence.
    Multinational peace-keeping bodies or firms have to be concerned with and well prepared to adjust to cultural environments of the markets in which they expand their operations. They also have to manage their strategies to comply with the cultural dimensions of their partners. In case of *cultural variability*, which generates uncertainty, a peace-keeping force or a firm needs to introduce organizational flexibility and adaptability. The *cultural complexity,* which raises the difficulty of understanding the foreign cultures, necessitates organizational and individual contesting and preparation. When *cultural hostility* prevails in the culture of the host country, the peace-keeping force or firm has to develop means to improve its social acceptability, so it can achieve its goals and manage to survive in a hostile environment. *Cultural heterogeneity* often burdens centralized decision making, thus forcing the peace-keeping forces or firms to introduce decentralized managerial and operations. *Cultural interdependence* increases the vulnerability of an

organization to intergroup conflict, which necessitates less autonomy for individual subsidiaries and more system-wide coordination.

It is, therefore, extremely vital and absolutely necessary that the preparation of any multinational peace-keeping or international business operation includes a detailed, systematic and in-depth research within an anthropological and sociological perspective on the cultures of the participating national groups in the peace-keeping forces or business firms on one hand, and of the cultures of the involved in the conflict country(ies), societies, communities and/or ethnic groups, on the other. The outcome of this research should be then presented in a methodical and explicit way to all individuals participating in the peace-keeping forces--military and civilian--, or in the business firms.   There is no doubt that developing and maintaining peace-keeping forces or firms consisting of properly culture wise educated individuals could be vital for success.

Cultural Topics and Issues
The rest of my speech will present in an outline form the cultural topics and issues that research analysts need to investigate, so they can decide as to how to overcome and manage the eight major cultural components of countries in which they expect to deploy a multinational peace-keeping operation of to expand their business (based on Tepstra (1985), Daniels and Radebaugh (1994), Kaminarides and Orphanides (1997), and Orphanides (1996).

Language: The multiplicity of languages and the parallel diversity of cultures in the world economy have a constraining influence on the operations of international peace-keeping forces or enterprises. To a large degree, international peace-keeping or business depends on communication, and languages are the principal means of communication. Every time a language and cultural barrier must be crossed, there is a potential communication problem. Even functional departments within a peace-keeping force or corporation develop their own distinctive lingo and sometimes have trouble communicating with one another.   The problem is magnified when organizations differ in culture, professional culture, and corporate culture. There are a variety of communication situations for the multinational peace-keeping force or firm involving intercultural communication.   Expatriate officers or managers must communicate with indigenous officers or managers. The peace-keeping force or firm must communicate with its employees, its suppliers, its distributors, and host government officials. Headquarters must communicate with its foreign subsidiaries.

1.   Communication with employees
    a. Can the expatriate manager communicate with production workers in their language and vice versa?
    b. Do work forces speak more than one local language?
    c. Is the state linguistically homogeneous or heterogeneous?
    d. Does the nation retain the colonizer's language as the official language?
    e. What is the language used in training?
    f. What is the relationship between language and technology?

2.   Communication with suppliers
    a. Most suppliers speak native language
    b. Speak local language to familiarize local content laws

    c. Communicate with local dealers and repair shops

3.   Communication with customers
    a. Speaking the customers' language, literally and figuratively, is a cardinal rule of marketing
    b. Using native language is important to convince and persuade
    c. Accurate and persuasive communication can be even more difficult in a multilingual society

4.   Communication with government
    a. Protocol and national pride usually dictate that communications with government be in the national official language
    b. The organization must employ nationals either at high level within the company or as legal counsel to communicate with the government

5.   Parent subsidiary communication
    a. Company language or 'home country' language
    b. Constant communication due to advanced telecommunication system

6.   Deal with the language problem
    a. Translation
    b. Delegating the communication job
    c. Language training program
    d. Bilingual manager

Education: Educational systems are culturally specific. When similar information is transmitted through education the emphasis differs according to different systems of cultural values. When ecological, technological and productive requirements of societies differ, the educational requirements vary accordingly. In general, educational systems are in accordance with cultural assumptions about human behavior, relationships between humans and natural environment, and relationships between humans and divinity.

1. Educational system of the country under consideration.

2. Policy implications: country and company policies regarding education

    a. Country policy:
        Does it follow the following internationally agreed guidelines?
        1. Functional literacy for adults
        2. Equal access of girls and women to education
        3. Training of middle – and higher-level personnel for development
        4. Democratization of secondary and higher education
        5. Transition from selection to guided choice in secondary and higher education
        6. Adaption of education (both general and technical) to the needs of the modern world, especially in rural areas
        7. Development of educational research
        8. Pre-service and in-service training of leaders

    b. Company policy:
        1. Multinational Enterprise (MNE) directly educates persons
        2. Multinational Enterprise (MNE) indirectly educates persons through support of host government educational program

Religion: There is certainly an impact of religion on the economy, and on international peace-keeping or business management. Religion is a socially shared set of beliefs, ideas, and actions which relate to a reality that cannot be verified empirically yet is believed to affect the course of natural and human events. Because such belief conditions people's motivations and priorities, it affects their actions. All religions deal with certain generic problems: (1) problems of meaning, (2) problems of motivation, (3) problems of social conflict, and (4) problems of skepticism. A vital issue to be studied, be analyzed and be presented is the religion's impact and relationship to politics and the economy.

Values: The most vital fact about values is that people act on them. People in a society often face more dilemmas, ambiguous circumstances where several choices of proper norms and behavior are possible. Values are priorities for sorting out and implementing one code of behavior over others. Values direct people in a society to selectively attend to some goals and to subordinate others. Values are emotionally charged priorities.

1. Values in the economy
   Myrdal (1968), for example, notes that some values can be inimical to economic development. Often, in Asia "religiously sanctioned beliefs and valuations not only act as obstacles among the people to getting the plan accepted and effectuated but also as inhibitions to the planners themselves in so far as they share them, or are afraid to counteract them". He finds that, in the Asian case, the following modernizing attitudes and ideals are necessary:
   a. Efficiency
   b. Diligence
   c. Orderliness
   d. Punctuality
   e. Frugality
   f. Honesty
   g. Rationality in decisions on action
   h. Preparedness for change
   i. Alertness to opportunities
   j. Energetic enterprise
   k. Integrity
   l. Cooperativeness (not limited but redirecting egoistic striving in a socially beneficial channel), and
   m. Willingness to take the long view

2. Values toward time

3. Values toward work, wealth, consumption and achievement

4. Values toward change

Social Organization: No foreign peace-keeping or business can be conducted without involvement in foreign social relationships. Foreigners are oriented to their social organization. This indigenous social organization must therefore be studied. Cultural awareness is required to avoid alienating these people and to negotiate mutually acceptable codes of behavior.

The officer or the manager abroad is faced with a recurring dilemma: how much should the foreign force or business firm adapt to local practices? To what extent should the peace-keeping force or business firm refuse to conform to local norms and instead introduce new ways of management and *modus operandi*? Insensitivity to host country customs will not only result in misinformed decisions but may also precipitate local resentment and recrimination.

On the other hand, in order to be successful and to make a contribution, the foreign force or business firm must introduce some special advantage, such as managerial skills, distribution techniques, or new technology that is not currently available to local entities or firms. Without this advantage, a foreign firm is less competitive than local firms that do not have the cost of doing business at a distance.

1. Understanding foreign social organization
   a. Adaptation vs Social Organization
   b. Innovation vs Social Organization

2. Kinship and business relationship
   a. Family
   b. Family and business relationships
   c. The Family Firm

3. Non-kin social groups
   a. Individualistic vs Collectivistic orientation
   b. Competition and cooperation
   c. Informal, participatory interaction vs formal, ranked interaction

4. Systems of rank and managerial elites
   a. Socio-religious stratification
   b. Social stratification
   c. Occupation and social status

5. Labor unions in your country
   a. Gender-based groups
   b. Age-based groups
   c. Group memberships
   d. Family-based groups

Politics: Whether the scope of operations is domestic or international, politics and the political environment are important to all peace-keeping forces or business firms. There are, however, two fundamental differences. For the international firm, the international political environment is more complex and potentially more hostile.

The political environment of international business is approached from two vantage points. At the global level, referring to the international political system as a whole; at the country level, referring to both the nature of the political environment within a country and with differences between national political environments.

1. Country level politics
   a. Central power and the political system
   b. Political environment and Multinational Enterprise (MNE)
      1. Home country contract/jurisdiction
      2. Extraterritoriality
         i.   Taxation
         ii.   Capital contracts
   c. Relations with host countries
   d. Sources of conflict between foreign firms and host country government

Technology: The objective of this section is to explore the interaction between Multinational Enterprise (MNE) and their host countries related to technology, and to discuss country's policies regarding the international transfer and use of technology.

1. Technology and Language
   Is the language rich in vocabulary to transmit technology?

2. Technology and Value System
   Technology can lead to value change either by (1) bringing some previously unattainable goal within the realm of choice or (2) making some values easier to implement, that is, by changing the costs associated with realizing them.

3. Technology and Educational Systems
   How technology affects level of education and vice versa.

4. Technology and Religion System
   Does a religion interpretation affect the technological changes?

5. Host Country Reaction
   Assess country's reaction to adapt to new technology.

6. Training Needs to Meet Technology's Requirements.

7. Managing the Transfer Process
   Ability to select, train, and monitor personnel engaged in international technology transfer.

Legal Environment: Legal environment is another dimension that affects Business. Managers must be aware of the legal systems in the countries in which they operate, so they can comply. They have to adjust their production, Advertising, selling distribution, and credit copyrights, trademarks and patents. Understanding common, civil and theocratic laws is an important task.

1. Kinds of Legal System
   a. Common Law
   b. Civil Law

      c.   Theocratic Law

    2.   Legal Professions in the Country

Conclusion

It is safe to conclude that many mistakes and failures of past multinational peace-keeping or international business operations can be avoided by considering and analyzing very carefully and systematically the cultural environment in the involved countries. In addition, appropriate training of their personnel with the objective to acquire a heightened cultural awareness pertaining to the countries of their international business operations is a *sine qua non* for successful outcome of such operations. This reality should therefore be implemented in every strategy of international firms that plan to enter foreign countries for business operations. Certainly, the required research and development of the necessary instructional material cannot be done in a short period of time just before launching a peace-Keeping or and international business operation. It is, therefore, necessary that international organizations and multinational firms form immediately groups of scholars and other specialists in the appropriate disciplines to conduct the appropriate research, collect the necessary data and information on the cultures of all countries, and finally develop the outcome of the research into textbooks and other instructional material. These textbooks and instructional material would be available for use when the need to prepare a multinational peace-keeping or international business operation arises.

Finally, I strongly believe and also wish that understanding of each other's culture will develop into a common ground to start with, and a practical vehicle to achieve termination of conflicts, to maintain peace worldwide, and to support successful international business for the benefit of a healthy and wealthy international economy.

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