

The Specifics and Importance of Cultural Dimension of the Modern East-West International Business Management and Its Changing Content in Post Virus Pandemic Phase (Some Trends and Observations)

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The author of the article underlines the increasing importance of knowledge of the cultural dimension in modern international business relations, considering wider and narrower (practical) approaches to this topic. The openness of newly emerging markets in developing countries, primarily in Asia, and the development of informational technologies and trade, have brought better opportunities for the global economic East-West partnership, in parallel, according to the author's opinion, to an underestimation of the specifics of the cultural component of business relations, especially when the number of actors, geography of countries, regions and range of business cultural experiences is steadily expanding. 2019 Virus Pandemic Crises followed by advancing of Digital Economy, and reduction of direct face to face business negotiations, limited time for cultural experiences exchanges, alongside with substantial amendments in business etiquette and in other fields of business management will bring new challenges for international business community. The further study of the mentioned topic will certainly contribute to an improvement in the modern business culture and reduce the risk of failed business activity both at the governmental and corporate levels.

Keywords: international business management, culture and etiquette, modern east-west business relations, post virus pandemic phase, comparative analysis

INTRODUCTION

The end of the Cold War and opening of the era of liberal economic relations based on transparent and intensive development of free trade, movement of capital, investments and labor force, has created a wide range of opportunities for a business boom and stability in the world. Yet challenges also, that accompany this large scale campaign. These challenges indicate a desperate need to tailor the management of all levels of business relations to a new reality in contemporary international politics and economics. The 2008 global financial crisis exposed not only purely economic problems, but also sent a message of serious concern regarding the managerial activity of government and private sectors, in the context of risk prevention in business deals. In this respect, the cultural dimension of modern business relations will be a topic of brief analysis here.

DEFINITIONS AND THE NATURE OF THE CULTURAL COMPONENT OF MODERN INTERNATIONAL BUSINESS

There is a variety of definitions for, business culture, in academic literature and also as defined by practical business executives. Some of them, in our opinion, reflect its core content - In business context, culture relates to what behavior is common and accepted professionally in one location, as compared to another. What may be acceptable business practice in one country may be very different from the other one used by businesses overseas. Therefore, recognizing how culture can affect international business is something that should be understood in order to avoid misunderstandings..., (Rebecca Twose, "How does culture influence international business?" May 21, 2019). "Cross culture in the business world refers to a company's efforts to ensure that its people interact effectively with professionals from backgrounds different from their own... it implies a recognition of national, regional and ethnic differences in manners and methods, and a desire to bridge them" (Carol, M. Kopp, "Cross Culture?", October 3, 2019, Investopedia).

Based on this understanding, the cultural dimension of modern international business relations in a wider sense (at a global level) reflects the complexity of various cultural values, the mentality, customs and behavior of people, as well as the overall specifics of different countries incorporated in updated and rapidly changing political, security and economic interactions throughout the world. The other cultural component (at the corporate level) of international business activity is connected with management, including the readiness of corporate personnel to cope with challenges typical of this era of new technologies, among which a focus on better education, and timely and effective adaptation to the changing political and business environment on emerging markets, are essential. The key issue is the extraordinary importance of preventive measures in the corporate business culture, regardless of which countries are being considered – high, medium or low income, Western or Eastern culture origin. Thus, the culture and quality of corporate management, in combination with a better knowledge and understanding of the national traditions of partners, in many cases determines business success. Enormous natural, technological and financial resources of some countries, especially those located in the rising Asian economic area, cannot operate effectively if their economic policy is not supported by modernized business management.

1. The cultural risk has the same impact as political, economic, financial and other risks. Moreover, since it reflects human relations, the behavior of individual decision makers, be it directly or indirectly, rightly or wrongly contributes to the output in business activity.
2. Globalization has created both positive and problematic trends in modern business life, including potential loss of cultural identity and national traditions, while providing for more transparent environment and moderated standards in business relations. Rapid development of international trade, mass entrance of new emerging markets, intensification of business contacts, and touristic exchanges has substantially increased the importance of knowledge of the cultures of partners, their languages, specifics of national traditions and their views of what constitutes business success.
3. Business etiquette and the specifics of behavior of partners have always been important in business life. Today, their value is even higher, since, as it was mentioned above, the current dynamics of international economic relations, change of balance of power in the global economy, appearance of newly emerging markets and participants, and unexpected risks, in parallel with the rise of the Asian, mostly Chinese, market, necessitate more accelerated efforts for the deep study of cultures of other nations... The main problem for a company is to adapt to the new national culture it meets... If not, there will be a gap that will increase more and more and the market entry will be a failure, Paul Harris & Frank Macdonald "European Business & Marketing", Sage Publications Ltd., pp. 121-122, 2004).
4. With the activation of East-West economic relations, including the "Belt and Road Initiative (BRI)" inaugurated by President of China, H.E. Xi Jing Pin, with the participation of more

than 60 countries and a 4, 4 billion population - different in size, resources, experiences and traditions, the mentioned topic has become of special practical interest.

5. The introduction of recent economic sanctions by global trade players is accompanied by a relocation of goods and services on the world market. This move is connected with a rapid change of partners (qualitatively and quantitatively) and environment of activity. In these circumstances, knowledge of new business partners and markets should be obtained in a relatively short time and cost effectively. This enhanced knowledge of a partner's cultural background can be important for successful transactions.
6. The introduction of new technologies and innovations in business life has also emphasized the need to accelerate other countries accumulation of cultural experience and their adaptation to updated technological innovations within the changed circumstances.
7. A mostly uncontrolled mass migration of labor force, which began at the start of the new millennium (in the Middle East, Africa-Europe), can also be considered as a new reality for cultural interaction, introducing at present, more problems (a lack of knowledge of national and religious specifics is sharpening understanding and cooperation). This environment results in a number of tensions in political reality of the European states and at the level of the EU alliance (case of Hungary), damaging their solidarity and increasing the Union's budgetary spending.
8. The other risk factor. Traditional trade with "face to face" business negotiations is being replaced by higher-demand online purchases (Amazon, Alibaba and other global online traders). The absence of direct talks downsizes the interest in the cultural background of partners, a trend which represents, in our view, the negative side of globalization.

In general terms, we can divide the cultural business traditions into three major directions – Western, Eastern, and mixed, as Eurasian is, for example, where each is also subdivided internally into certain groups and reflects the cultural diversity and variety of specific features (for example, American and European, Chinese and Arabic, and so on).

Each of them requires due respect and study, and in our case, we will limit this to a summarized description of the differences and specifics of culture diversity in the international business community, taking the Western and Euro Asian cultures as an example.

THE WESTERN CULTURE OF BUSINESS RELATIONS

- Hard work to achieve goals (the religious factor going to the roots of the Christian approach to work and strongly reflected by the earliest stage of US history);
- Informality and rationality in conducting business relations;
- Lawyers are key members during business negotiations;
- Agreements should be honored;
- The individual can influence the future ("when there is a will, there is a way");
- Corporate obligations are more important than family obligations;
- During negotiations, freedom of speech is expected for each party;
- Verbal language dominates during negotiations;
- The tradition of exchanging gifts is generally not a common practice.

THE EURASIAN CULTURE OF BUSINESS RELATIONS (THE GEORGIAN CASE)

- A combination of Western and Eastern values and traditions;
- Informal communication during business relations is important, in particular during frequently, friendly, informal, long- lasting dinners which are accompanied by the consumption of alcoholic beverages, mainly wine, and delicious Georgian cuisine. Readiness of business partners to join this tradition is highly welcomed by the local community and

usually has a positive impact on the decision making agenda. Close high - ranking friends, including artists, often join such gatherings. They regard the invitations of business partners to the home environment as a common custom and a gesture of goodwill. However, business lunches and dinners in restaurants have become more popular;

- Georgian people are good toastmasters at all kinds of gatherings around the dinner table and are well-renowned for this cultural tradition. There are usually long toasts that have philosophical and humorous content, to which attendees are expected to listen...guests who respect this custom are rewarded with the same respect;
- Georgians are a bit romantic and deeply respect the traditions of family, elderly relatives and friends, somehow reflecting - the philosophy of the Chinese “guanxi” system, based on ideas of Ren, Junzi and Li, as well as conceptually based on the ideas of Confucius (promoting individual features for the progress and commonality of business and culture);
- Intermediaries are widely used to achieve positive outcomes in business deals;
- Timeliness for meetings is sometimes not guaranteed;
- Body language often accompanies business negotiations. Silence is not usually accepted as an active reaction during business talks;
- In some cases, the interests of and obligations to family or friends-prevail over corporate ones (but this is presently in decline);
- The views of employees’ family and friends is meaningful in determining employment practices;
- Hard work is considered in combination with the importance of the will of God and luck;
- Prioritizing friendly rather than business relations at all stages of business deals is more common and socially understandable;
- The cultural practice of gift exchange is a part of tradition (mainly through exchanges of Georgian wine and local branded souvenirs);
- Nowadays, it is a common mistake to consider the Russian language as the main language of business communication in Georgia. As a rule, business negotiations and correspondence are in English. However, Russian and other languages are used with other core languages. Due to intensive economic cooperation and touristic exchanges, there is an increased interest in the Chinese language in Georgia;
- If business relations lead to a dispute, it will be resolved based on a mutual desire to do so, in a friendly and constructive atmosphere, rather than appealing to the court system;
- Etiquette for greetings is in the style of southern European countries- handshaking and a loud, emotional welcome;
- Number of members of a delegation during business talks is usually limited, unlike in other countries (such as Asian);
- Hospitality and friendly respect remain, regardless of any failed business relations (excluding extraordinary cases);
- Personal trust between business partners is sometimes more important than written obligations.

It is a bit premature to predict the development of Global economy in the context of still continuing corona virus outbreak, nevertheless, in our view, some possible trends and events will take place.

- Post Pandemia crises phase for certain time will increase the importance of „Digital Economy,, or „Digital Service Economy,, including e - commerce of consumer goods (primarily foodstuff, pharmaceutical, electronic equipment and other goods linked with medical health industry), transportation operations and other communication services (mainly cargo shipments, modernization of cargo hubs and related infrastructure and so on)
- Traditional format of, face to face, business negotiations in many cases will be replaced by online dialog and relevant distant decisions at least for forthcoming years. With high degree of probability, the formalization of the commercial contracts will also be completed

electronically. So, a bulk of business decision making process is likely to be conducted without direct talks between the interested sides.

- One of the best opportunities to promote multinational cultural traditions is large scale international trade exhibitions. It is obvious that the main goal of these events is commercial profit, at the same the exhibitions in globalized world have always been a good platform for deeper knowledge of the mentality of business partners, exchange of ideas as well. In this respect the temporary waiver for such events in the nearest run, will reduce the long term business transactions.
- The mentioned trend is not a new phenomenon, it has been exposed before virus pandemic crisis, but in the nearest run it will be more promoted and nurtured at all levels of internal and international, public or private business management.
- This new environment from one side speeds up the decision making process, makes it faster and more dynamic. But from the other side it creates certain risks and basis for various mistakes due to lack of direct human contacts (this factor cannot be neglected even in our modern life, especially for Eastern business community), limited knowledge of the customs, cultural traditions and national specifics of business partners. This element can undermine the confidence and reliability in business deals, that is crucial for full-fledge and long term foreign economic activity.
- In these circumstances the need for renewed international online educational and training programs for business managers is going to be a matter of urgent consideration, in particular for new emerging, vulnerable markets in the developing countries.
- New environment is likely to force the adaptation of business etiquette and behavior to updated requirements by limited hand shakings and emotional greetings, large scale business lunches and gift exchanges in order to provide the antivirus related measures. These restrictions particularly will be sensitive for the business circles from Asian region and countries of South Europe, where the mentioned traditions have historical roots and special recognition.
- The other important aspect is connected with psychological readiness of business managers to restart their activity in post virus pandemia environment. Rather long gap and stay at home regime will definitely slow down the timely return to standard international business life. In addition, the potential resumption of new waves of the virus attack presents an extra obstacle for coming back. Alongside with cultural differences and specifics of Western and Eastern business experience this factor may affect the effectiveness of business projects.

CONCLUSION

We believe that non-economic factors in contemporary international business relations, along with the underestimation of cultural specifics in modern business management, will diminish the efforts of the governmental and private sectors, as well as individual and corporate actors, to conduct cost effective economic cooperation, particularly in the context of new investment and trade opportunities coming from the Asian market, and the intensification of East-West joint projects.

In future the need for consolidation over Virus Pandemic Crises and other global risks will increase the importance of better knowledge of international practices, specifics and cultural experience in modern multinational business relations.

There should more academic and practical contributions to the study of the mentioned topic in order to prevent possible managerial and other risks in the future.

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