

Human Environment and Cultural Influence on the Development of International Business

ȚĂU Nicolae¹

IBRAHIM MUSTAFA SHARFELDIN Mohammedelkhatim²

Abstract

Peoples always seek to improve their life conditions. This sought had significantly contributed to the improvement of human life. Urbanization was a major turning point in the history of human development. It contributed to a change of lifestyle and a progress of business. The establishment of urban areas led to a transformation in the human and cultural environments. Furthermore, globalization processes contributed considerably to the alteration of human and cultural environments. In this work, we are going to explore the components of the human and cultural environment. The main aim of this work is reveal how can human environment and cultural influence the development of international business. This work is similarly meant to exhibit how cultural differences can and cultural transformation caused by globalization processes, affect communication, negotiation and management processes, thus influencing the development of international business.

Keyword: lifestyle, urbanization, power distance, individualistic, collectivistic, masculinity, femininity, uncertainty avoidance, long-term/short-term orientation, indulgent, restrain, universalistic, collectivistic, neutral, emotional, specific, diffuse, achievement, ascription, sequential, synchronous, Internally-directed, externally-directed.

Introduction

Societies sought to improve their life conditions. This sought contributed to the alteration of many aspects for instance lifestyle. Transformation in lifestyle influenced human and cultural environment. Change in human and cultural environment affected activities carried out by people such as business operations. Globalization promoted knowledge and awareness thus, influencing human environment. Globalization processes also affect cultural environment in many ways. In this work, we are going to illustrate how can globalization influence components of the human environment and how this influence affect the development of international business. We are going also to show how globalization processes affect components of the cultural environment and how cultural differences and cultural transformation impact communication, negotiation and management processes, thus influencing the international business development.

¹ ȚĂU Nicolae is Professor, Academy of Economic Studies of Moldova

² IBRAHIM MUSTAFA SHARFELDIN Mohammedelkhatim PHD is Student, Free University of Moldova

Individuals always seek to improve their life conditions. This sought had significantly contributed to the improvement of human life. Instead of hunting and gathering, people turned to agriculture. This shift in lifestyle led to alteration in human environment. Stability in one place rather than moving from one place to another became a common feature. Societies sought to settle down in certain places so as to ensure better life conditions. Industrial revolution similarly contributed to stability of societies. Transformation in lifestyle influences human environment largely. Alteration in human environment had some effects on the cultural environment. Change in human and cultural environment influenced activities carried out by people such as business operations. In the following paragraphs, we are going to reveal human environment and cultural influence on the development of international business.

As above-mentioned, shift in the lifestyle of people caused by agriculture and industrial revolution had contributed to societies' stability. Stability of societies in specific places had great impacts in their life. It led to the development of urbanization which gradually attracted some pastoral societies. Construction of villages and their development into towns promoted human environment in different ways. Establishing settlements eased provision of healthcare services which in turn decreased mortality percentages among people. Formation of towns also promoted education and raised people's awareness to practices concerning related to hygiene and health. Improvement of life conditions also contributed to growth of population, which in turn promoted trade as merchants sought to meet people's needs and correspondingly gain more profits. Mostly, population is one of the factors affecting the development of international business (Spillan et al, 2017, p.147).

As aforesaid, the establishment of settlements and societies' tendency to settle in these towns promoted the provision of services such as healthcare and education, thus contributing to the growth of population in these urban areas. The number of inhabitants affects human life in different ways. Population density in one place is one of the key factors influencing development of international business. It impacts the quantity and quality of commodities offered and services delivered. It encourages competition between businesses considering initiating business activities in a specific market. The population's density motivates firms to evaluate volumes of goods and services required in any potential market (Adamik et al, 2011, p.172).

The prosperity of settlements and the development of transport means encouraged many societies to settle in the newly urbanized areas. As time passes, numerous changes occurred in the human environment in these urban areas. Forces such as globalization played major roles in these changes. Globalization processes contributed to shift of population's density in urban areas. Similarly, they affected ethnic composition in many areas as people from different parts of the world move to places where they secure jobs. Shift of ethnic composition may lead to alterations in inhabitants needs and desires. Globalization processes also contributed to the raise of people's awareness as opportunities for education had increased significantly. In the following paragraph, we are going to show how alteration of ethnic composition may well affect the development of international business.

Globalization processes as previously shown contributed to the change of many aspects of human environment. As a result of the cultural globalization processes,

education openings were offered in many educational institutions to students from diverse countries. These openings contributed to increasing students' awareness. Economic globalization processes also contributed to raising people's consciousness. In order to improve their economic conditions, a lot of people moved to other regions and/or countries. Settlement of students and employees in other countries may impact the ethnic composition and culture. Indigenous culture may resist and new settlers' culture can also prevail depending on both cultures' strength. Alteration of the dominant culture in one location may lead to alteration in society members' needs. Transformation of inhabitants preferences influences development of international business.

As aforesaid, globalization processes contributed to the change of ethnic composition. While some societies moved and settled in urban areas, others decided to enjoy rural quiet life. Societies which settled in the urban areas were relatively forced to approve certain urban cultural characteristics. In towns, accessibility to educational institutions may help in increasing people's awareness in contrary to rural areas. Rural societies managed to some extent to preserve their cultural characteristics. Both urban and rural cultures have great impacts on people's preferences. Raising people's awareness might gradually lead to alterations in quantity and quality of goods and services needed in a specific location. So, It may force firms to adjust production and sale's strategies, hence, influences development of business operations. Development of international business is closely linked to urbanization (Brown and Gutterman, 2009).

In the previous parts, we have shown how human environment impacts the development of international business. In the next pages, we are going to demonstrate the influence of cultural environment on the development of international business. First of all, cultural differences affect international business operations in many ways. Globalization processes had led and still leading to processes of cultural transformation. At the first place, we are going to exhibit how cultural differences affect international business activities. Afterward, we are going to show how cultural transformation influence international business development. In spite of the huge efforts made in the field of cross-cultural studies, still much more work has to be conducted to tell how cultural differences can reveal new business opportunities and how these differences may in some ways lead to huge losses for firms, therefore, undermine business development.

International business activities increased significantly during the recent centuries. Firms turned to establish business activities in new regions where production factors are favorable. Such a trend contributed to building working teams whose members are from different countries, belonging to different cultures. This tendency contributed to developing new thoughts and ideas, subsequently providing new varieties of goods and services as well as new insightful approaches to business problems. It also contributed to the success and development of many businesses but also nonprofit organizations. Cultural differences assist firms in revealing unseen values in some societies, thus identifying suitable plans to correct business strategies in the new markets. They also help to illustrate how and why some commodities and services suite some societies. Cultural differences impact the way in which people consider feedback provided by clients (Sia, Choon Ling, et al., 2009).

Even though cultural differences may affect positively the development of international business as earlier shown. Yet, they constitute a threat for the development of business activities. Cultural differences can retard firm's growth pace. Culture impacts communication, negotiation and management processes. Communication style differs from one culture to another. It covers aspects such as formality of address and manner of greeting. While some societies tend to use formal style and insist to address counterparts by their titles. Others take an informal style and start a discussion on a first-name basis. In general, it takes sometimes to understand cultural specificities. When working in a multicultural environment, sometimes cultures collide. A simple gesture may be understood in a wrong way, consequently leading to a quarrel. Studies show that cultural differences can create major problems for integration (Sarala, Riikka and Eero Vaara, 2010).

The same challenges related to communication may occur when business team members working abroad meet business partners for the first time. Errors can occur with customers from a relatively different culture. Moreover, disputes may happen when national culture collides with organization's culture. Organizational culture encompasses values which govern staff members' attitudes and behaviors. These values determine how a corporation's employees and management interact and handle outside business transactions. Organizational culture impacts communication style with business partners. As a result, it influences international business development. In the next parts, we are going to explain how can culture affect negotiation and management styles and how can this effect impacts the development of international business. In a globalized condition, organizational and national cultural differences often manifest.

Culture has great effects on negotiation and management styles. Attitudes and behaviors, beliefs, religion, traditions and customs, languages in addition to social organization constitute the central components of a culture. These values dictate manners that people use to interact with others. As they dictate styles of interaction among individuals, they may impact the approaches that individuals use to do certain activities. In the following paragraphs, we are going to observe how can these values impact the ways people conduct negotiation and management processes and how can culture affect the development of international business. In order to investigate the issue to obtain some results, we are going to use the Hofstede's cultural model and the cultural model developed by Fons Trompenaars and Charles Hampden-Turner. The two models assist in better understanding the impact of cultures on business environment.

Power distance affects business activities in many ways. Negotiation and management styles in a society are influenced by the level of power distance in that society. In societies where power distance index is high, respect for age, status and rank prevails. So, there is little room for discussing decisions. Negotiation is difficult because managers take decisions unilaterally. These societies are distinguished by rigid management style which do not accept other opinions easily. We believe that this style do not help the development of business activities as it does not allow invention. In contrary, in societies where power distance index is low, there are greater chances for sharing opinions and each member has freedom to convey her/ his point of view. So, chances to negotiate and participate in management processes are greater. Such a style ensures

success. Low power distance levels encourage and support economic prosperity (Eelke, 2013).

Type and strength of relationships between society members can affect the development of international business. In his cultural model, Hofstede divided societies into two dimensions; individualistic and collectivistic. Trompenaars and Hampden-Turner categorized societies into same dimensions in their cultural model. This dimension clarifies priorities' order in the society. This index reveals an important aspect in the society. Who has the priority? the individual or the group? In individualistic societies, an individual may care for her/himself and her/his immediate family, as previously shown. Individualistic societies are also characterized by placement of self-interest firstly. In collectivistic societies, people are integrated into strong and interconnected groups that can include extended family. Collectivistic societies stress resources' sharing and willingness to give up personal interest keeping in mind group's interest.

In the previous paragraph, we illustrated the categorization of societies according to the priorities' order in the society. We also revealed some characteristics of both individualistic and collectivistic societies in order to show the motivations that stand behind people's acts. In the following lines, we are going to demonstrate how can the characteristics of each category impact business development. Members of individualistic societies prioritize self-interest. This attitude may motivate the individual to maximize the efforts in negotiation and management processes to be successful in business. These attempts may assist in developing business activities. Driven by desires to gain some profits for the interest of group, members of collectivistic societies, would attempt to make efforts in negotiation and management processes. Thus, we believe that both cultural dimensions contribute to the development of international business.

The masculinity versus femininity index is believed to have great roles in negotiation and management styles. Masculine society is characterized generally by gender roles distinction. It considers material achievements. In this society, males are expected to look after appointment scheduling and payment issues. So, they attempt to make negotiation and management processes successful in order to gain profits to cover life expenses. Quite the opposite is feminine society. Feminine society is characterized by similarity of roles between men and women, meaning that both have to share the responsibilities. Since obligation is shared, individuals may tend to act in a flexible way. This feature assist in managing negotiation and management processes effectively. So, we consider that high femininity index can assist business progress. Flexibility in negotiation and management processes assist in reducing unemployment levels (Moses, 2002).

Uncertainty avoidance influences certainly the development of international business. In societies where the uncertainty avoidance index is low, individuals handle future uncertainty in a more relaxed way. This manner may assist in conducting business in a stress-free way which can assist in business's continuation. However, we consider that high uncertainty avoidance levels contribute significantly to the development of international business. High uncertainty avoidance cultures put emphasis on the availability of information. So, negotiators and managers rely heavily on the available amount of information. Likewise, employees tend to pursue assignments depending only on the information brought to them. Therefore, high uncertainty avoidance index levels

contribute to the administration of effective negotiation and management processes. They support and promote the development of international business (Sang and Peterson, 2000, p. 415).

Time horizon of different cultures impacts international business development in several ways. Long-term oriented culture lays emphasis on future and relies on modern education as it believes that it is one of the important way to be prepared for the future. This may entail that individuals belonging to such a culture, attempt to depend on knowledge. Considering long-term benefits, they tend to make rational decisions in negotiation and management processes. So, we believe that Long-term oriented culture has some features which can make positive impact to the development of international business. In contrast to long-term oriented cultures, short-term oriented cultures do not consider long-term profit and emphasize current benefits. In negotiation and management processes, members of such cultures tend to think of temporary solutions which may not be favorable for the development of international business.

The extent to which a culture allow satisfaction of basic and natural human desires of its members may influence international business. In his model, Hofstede categorized the societies according to their approval for free satisfaction of these needs into indulgent and restrain. His classification also reveals societies' adherence to traditions and customs and the extent to which the society can accept new trends and styles. Indulgent society permits free satisfaction of basic and natural human needs, as said by Hofstede. It supports balance between work and private life. In contrast, restrain society tends to control human desires through strict social standards. Stress is being placed on work and leisure activities have lesser value. So, we believe that indulgent societies have a positive influence on the development of international business as they promote freedom of speech, debate, dialogue and feedback in negotiation and management processes.

As we earlier stated, we are going to use the cultural model developed by Trompenaars and Hampden-Turner to detect the impact of cultural values on the negotiation and management processes to see how can this impact affects the ways in which people conduct business activities and accordingly to perceive how can culture influence the development of international business. The first dimension of the model reflects cultures' adherence to rules and laws. Trompenaars and Hampden-Turner categorized societies into universalistic and collectivistic. In universalistic culture, people tend to keep their promises and be consistent. In collectivistic culture, individuals lay emphasis on relationship and situations and place them before rules. This tendency may not be favorable in negotiation and management processes. So, we believe that universalistic society promotes the development of international business.

The degree to which people are allowed to express their sentiments affects negotiation and management processes differently. Trompenaars and Hampden-Turner categorized cultures into neutral and emotional. In neutral cultures, individuals place little importance to emotions. Society members take direct approaches to the point. This tendency lead to conducting effective negotiation and management processes. In emotional cultures, people place high importance to sentiments. Thus, they are characterized by avoidance of confrontation. Furthermore, individuals tend to use indirect approaches. This tendency may possibly lead to undermining negotiation and

management processes. So, we consider that the neutral cultures have some characteristics which support the development of international business. In the societies where neutral cultures prevail, people remain objective in interactions such as business-related transactions (Smith and Sadler-Smith, 2006, p.88).

The extent to which people's private and work lives are connected influences business activities in many ways. As specified by Trompenaars and Hampden-Turner, societies maintain either specific or diffuse culture. In societies where specific cultures prevail, there is a separation between workers' private and work lives. Individuals who belong to specific cultures emphasize work objectives. They prefer to be direct, precise and transparent. These characteristics assist in leading successful negotiation and management processes. Diffuse culture are distinguished by reliance on the relationships. Individuals who belong to diffuse cultures emphasize relationships. They believe that strong relationships can assist in solving business problems and building trust for continuous collaboration. Thus, we believe that both cultures, in one way or in another, have some features which can promote the development of international business.

The development of international business is also influenced by the society's perception to the pattern of distribution of power and status among members of society. As per Trompenaars and Hampden-Turner cultural model, there are two types of cultures; achievement and ascription. Achievement cultures recognize and reward appropriate performance only. These cultures assess and evaluate people in view of their knowledge and performance. We believe that such cultures have some features which can promote international business development. Ascription cultures generally recognize title and position. In societies where ascription cultures prevail, authority and power are considered as the base upon which a person should be valued. Such a trend may not be proper in running effective negotiation and management processes. So, we believe that ascription cultures' features do not adequately serve the development of international business.

Societies' relationship with time significantly impacts the development of international business. Trompenaars and Hampden-Turner divided societies into sequential and synchronous. In societies where sequential cultures' prevail, individuals place a high value on planning. They prefer to plan, to stick to plans set and to perform one task at a time. They are also characterized by their punctuality, systemization and preference to meet deadlines. These features really assist in administering active negotiation and management processes. In societies where synchronous cultures dominate, people are likely to complete several tasks at once. Moreover, they seek to be punctual and to meet deadlines. However, they are flexible and can accept changes in times and plans without difficulty. Consequently, we consider that both cultures have characteristics which can influence positively the development of international business.

The attitudes of societies towards the environment affect the development of business activities. According to Trompenaars and Hampden-Turner's model, societies are divided into Internally-directed and externally-directed cultures. Individuals who belong to internally-directed cultures' assume that since they want to achieve specific goals they have to exert an influence on nature. In contrast, in societies where externally-directed cultures prevail, people are doubtful about the level of their impact on nature. They believe that it is necessary to work with nature to attain objectives, because they may

not have enough control on it. People in internally-directed cultures retain determined personalities (Behrens, Alfredo, 2009). This feature is invaluable in running effective negotiation and management processes. So, we expect that internally-directed cultures to have characteristics which can positively impact the development of international business.

In the previous pages, we have illustrated how cultural differences affect international business activities. In the following parts, we are going to illustrate how cultural transformation influences the development of international business. As aforesaid, the development of transport and communication means contributed to the appearance of globalization. The globalization processes assisted in the spread of knowledge which later helped in raising people's awareness. In many societies, rising consciousness led to a transformation in culture. Many concepts and values were changed due to this cultural transformation. This alteration influenced societies' members attitudes and behaviors. Likewise, contemporary studies assisted in the introduction of new theories to develop people's attitudes and behaviors. In the next paragraphs, we are going to show how these developments affect the cultures of some societies.

Globalization assisted in the development of humans' behaviors. It contributed to the promotion of education (Quan and Reuveny, 2003, p. 34). It helps in forming new theories which are meant to improve individuals attitudes. Decent education inspires broad-minded attitudes and eases communication (Suárez-Orozco and Desirée, 2009, p.69). So, globalization may influence people's behaviors in many ways. It can impact levels of power distance index in some societies. It may change societies' perception to aspects as gender roles, prioritization of interests, avoiding uncertainties, time horizon and satisfaction of basic and natural human desires. Change may also occur in societies' adherence to rules as laws developed largely in recent times. Alteration may possibly happen in individuals' willingness to express personal feelings and their desire to link their work life to private life. Globalization may also influence societies' relationship with time and their attitudes towards nature.

As aforementioned, globalization processes can contribute notably to the change of many aspects in the cultural environment. They assist in the promotion of education, thus improving people's attitudes and behaviors. The development of humans' behaviors may possibly assist in conducting perfect communication, negotiation and management processes. Yet, it can similarly imposes some challenges on international business. As earlier shown, economic globalization contributed to the increase of immigration processes worldwide. Cultural globalization processes assisted in increasing individuals' awareness in many parts of the world. Consequently, people's choices and preferences change constantly as fashions regularly differ. Therefore, international business need to think of a model to adopt, in order to be able to deal with changes in the human and cultural business environment.

Conclusion:

Societies sought to enhance the conditions of their life. This sought had contributed to the improvement of human environment. Progress in human environment impacted clearly cultural environment. Change in human and cultural environment affected business. Improvement of life conditions assisted in growing population's number. This growth promoted trade as merchants sought to meet people's needs and gain more profits. The establishment of settlements and the tendency of societies members to settle in these towns promoted the provision of services such as healthcare and education, consequently contributed to the growth of population in these areas. Population density in one place is one of the most important factors affecting development of international business. It impacts the quantity and quality of commodities offered and services delivered. Therefore, it absolutely affects the expansion of business activities.

Globalization processes affected ethnic composition in many areas. People from different parts of the world move to other places where they secure jobs. Alteration of ethnic composition may lead to alterations in inhabitants needs and desires. Globalization processes also contributed to the raise of individuals' awareness as opportunities for education have increased significantly. Changes in preferences and raise of people's awareness may force firms to modify their plans, thus influence the development of international business. Globalization processes have led and still leading processes of cultural transformation. Differences in cultural environment impact the development of international business in many ways. Cultural environment differences can assist firms in finding suitable business plans. Cultural differences may also slow down international business development pace.

National and organizational cultural differences impact the processes of communication, negotiation and management, thus affecting international business development. Cultural values dictate manners that people use to interact with others and impact the approaches that individuals use to perform certain tasks. Low power distance societies allow discussions, thus promoting the development of international business in contrast to societies where power distance index is high. Characteristics of both individualistic and collectivistic societies stimulate the development of international business as they support successful communication, negotiation and management processes. Feminine societies are characterized by flexibility which assist in conducting effective communication, negotiation and management processes. Therefore, characteristics of feminine societies can encourage the development of international business.

High levels of uncertainty avoidance index assist in running effective communication, negotiation and management processes, thus support the development of international business. Relying on knowledge, members of long-term oriented cultures tend to make rational decisions to attain long-term benefits. Such attitudes help in leading efficient communication, negotiation and management processes. In contrast to restrain societies, indulgent societies have a positive influence to the development of international business as they encourage the freedom of speech, debate, dialogue and feedback in communication, negotiation and management processes. In the universalistic culture, Individuals tend to keep their promises and to be consistent. Such attitudes promote the

development of international business as it encourages effective communication, negotiation and management processes.

In neutral cultures, individuals place little importance to emotions. Society members take direct approaches to the point. This trend assist in leading effective communication, negotiation and management processes. Diffuse culture are distinguished by strong relations among business partners. People who belong to diffuse cultures give emphasis to relationships. They often meet together after working hours. During such meetings, businessmen can deliberate mutual business interests. Individuals who belong to specific cultures emphasize work objectives. They tend to be direct, precise and transparent. Both cultures have features which can assist in leading effective communication, negotiation and management processes. Achievement cultures recognize and reward appropriate knowledge and performance only. Thus, they stimulate the development of international business in contrast to ascription cultures.

Societies' relationship with time significantly impacts the development of international business. In sequential cultures, individuals place a high value on planning. They prefer to plan, to stick to plans previously set and to perform one task at a time. They are characterized by their punctuality, systemization and preference to meet deadlines. In synchronous cultures, people are likely to complete several tasks at once. Equally, they seek to be punctual and to meet deadlines. However, they are flexible and can accept changes in times and plans easily. So, both cultures have characteristics which can support the development of international business. In contrast to individuals who belong to externally-directed cultures, people from internally-directed cultures' believe that they can exert influence on nature. Such a characteristic may reveal a determined personality that can administer perfect communication, negotiation and management processes.

The development of transport and communication means contributed to the appearance and spread of globalization. Globalization processes assisted in the spread of knowledge which assisted in raising people's awareness and changing some values. Values' alteration influenced societies' members attitudes and behaviors. It affected aspects such as levels of power distance index, perception to gender roles, prioritization of interests, uncertainty avoidance, time horizon and satisfaction of basic and natural human needs. Changes may equally occur in the adherence of societies to rules. Alteration may happen in individuals will to express personal feelings and to link their work life to private life. Shift of value may also influence societies' relationship with time and their attitudes to nature. Though, it may assist in increasing people's awareness. Yet, it imposes some challenges on international businesses as people's desires frequently change.

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