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Explain and critically assess the challenges and sensitivity of business in the
United States

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Executive Summary

This paper looks at the challenges of working with the United States in international business from a British view. It uses cross-cultural communication theory to help explain these challenges. It also looks at the cultural issues and sensitivities involved in doing business with the United States. According to Nobuko (2024), studies say that there are big cultural differences between Britain and the United States, especially in how they communicate, make decisions, think about time, and follow business rules. Because of this, when companies from both sides do business together, misunderstandings and conflicts often happen. (Nobuko, 2024). This paper uses Hofstede's cultural dimension theory, focusing on the difference between high and low context cultures, to show how these cultural differences affect cooperation and communication between British and American companies.

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Introduction

According to Nisreen (2021), studies say that in globalization, cross-cultural communication is an important part of a company's success in international business. The United Kingdom and the United States are both strong economic countries. They have big differences in culture and business practices, even though they share a common language and similar legal systems. These differences affect daily communication between the two countries. They also affect business negotiations, decision-making, and cooperation between companies in international business (Nisreen, 2021). This paper looks at the cultural challenges faced by the United Kingdom when doing business with the United States. It uses cross-cultural communication theory to analyze these challenges. It also looks at how these challenges affect business cooperation and suggests ways to improve cross-border cooperation between British and American companies.

1.0 Cross-Cultural Communication Theory

1.1 High-Context and Low-Context Cultures

High-Context Culture

High-context cultures are social environments where communication relies heavily on non-verbal cues, shared experiences, and the context surrounding a message rather than on explicit words (Chia-Ling, 2020) .

According to Keith (2024), studies say that in High-Context Culture, most information is shared through non-verbal cues, body language, background details, and social communication. In this culture, language is not the only way to communicate. More information is shared through the interaction between the two people and the details of the environment (Keith, 2024). Typical high-context culture countries include Japan, China, Arab countries and so on.

Low-Context Culture

low-context culture is a culture in which people communicate explicitly. They rely less on context & non-verbal cues and instead convey meaning more directly (Matthew, 1990) .

According to Mintu-Wimsatt (2000), studies say that Low-Context Culture focuses on direct communication. In this culture, people use clear and simple language to make sure information is understood accurately. When companies do business, they don't rely much on background or context. They mainly focus on clear written and spoken language (Mintu-Wimsatt, 2000). Typical low-context culture countries include the United States, Germany, Switzerland and so on.

1.2 Hofstede's Cultural Dimensions Theory

Hofstede's Cultural Dimensions Theory is a framework used to understand cultural differences across countries and their impact on behavior and communication (Hofstede, 1983).

The two cultures of Britain and the United States are compared from the six cultural dimensions of Hofstede:

Power Distance: According to Michael (2021), studies say that in American companies, Power Distance is low. This shows in the democratic decision-making and the more equal relationships between employees. In British companies, Power Distance is higher. Although decision-making power is not as high, there are still some traditions of hierarchy, especially in traditional

industries. (Michael, 2021).

Individualism vs. Collectivism: According to Bobby (2021), studies say American culture is an individualistic culture. Most American companies focus on individual achievement and self-expression. In British culture, it is also individualistic, but in some areas, especially in business management, teamwork and collective goals are more important (Bobby, 2021).

Uncertainty Avoidance: According to Hossain (2022), studies say American culture tends to accept higher uncertainty and pay more attention to innovation and risk taking within a team. The culture of the United Kingdom, while also having a high degree of uncertainty aversion, shows a relatively low tolerance for the rules and procedures common to its business environment (Hossain, 2022).

2.0 The application of cross-cultural communication theory

2.1 High-Context and Low-Context Cultures

Comparison of British and American culture:

United States: According to Donald (2023), studies say that as a typical example of low-context culture, American enterprises tend to be direct and

explicit in business communication. They emphasize transparency, efficiency and quick decision-making. For example, a department manager in an American company may present his or her own opinions clearly in a meeting, emphasizing action items without relying on implied or implicit information (Donald,2023).

UK: According to Broeder (2021), studies say that the UK is also a low-context culture. Compared to the United States, British companies tend to be more indirect and polite in business communication. In business, British people may not be as direct as Americans. They express their concerns or opinions using softer language (Broeder, 2021).

2.2 Hofstede's Cultural Dimensions Theory

Power Distance: According to Yu-Feng (2021), studies say that in international business between British and American companies, the difference in power distance between managers and employees can cause communication problems. American companies often do not have a clear hierarchy, and the relationship between managers and employees is friendly. In British companies, there may be more hierarchy in some areas, which can cause misunderstandings or imbalances in communication (Yu-Feng, 2021).

Individualism vs. Collectivism: According to Ragib (2022), studies say that there is little difference between the United Kingdom and the United States in this area. However, the United States focuses more on individualism, which can create challenges in teamwork and decision-making. For example, American employees may care more about personal goals and success, while British teams may focus more on achieving collective goals (Ragib, 2022).

Uncertainty Avoidance: According to Denny (2023), studies say that when dealing with risk, British and American cultures differ in the speed of decision making and the way of risk taking. Us companies and teams tend to make quick decisions, while UK companies and teams are more focused on assessing risks and adopting more robust strategies to solve them (Denny,2023). According to Lingling (2024), studies say that such differences in decision-making styles on risk division may lead to huge differences in the progress of the cooperation projects between the two sides. Therefore, the cooperation teams of British and American enterprises need to negotiate and communicate repeatedly. To ensure that the cooperation project can be carried out smoothly (Lingling, 2024).

3.0 The difference between British and American business culture

3.1 Communication Style

1.UK: According to Budur (2020), studies say that British people usually communicate in a reserved, polite, and indirect way. They often use euphemisms and hints, avoiding direct expressions of dissatisfaction or rejection. This style helps maintain social etiquette and avoid conflict or offense. In formal situations, British businessmen use detailed, polite words to express their views, rather than plain and simple language (Budur, 2020).

2.United States: According to Caryn (2022), studies say that the communication style in the United States is more direct and open than in the United Kingdom. Americans are more likely to clearly express their views and needs, especially in business settings, where direct communication is seen as efficient and transparent. American businessmen often share opinions, ask questions, or decline offers in meetings without focusing too much on social niceties (Caryn, 2022).

3.2 Decision-Making Style

1.United Kingdom: According to Mayada (2022), studies say that the decision-making style in the United Kingdom is usually cautious and gradual. It focuses on detailed discussion and evaluation. The British prefer using detailed analysis to make decisions, especially when they are risky. They make sure all details are considered before making a final decision (Mayada, 2022).

2.United States: According to Carol (2022), studies say that the decision-making style in the United States focuses more on speed and efficiency, especially in competitive business settings. American businessmen are used to making quick decisions and tend to be more flexible and innovative when faced with uncertainty. They also assess risks but do not study every detail as much as British businesses (Carol, 2022).

3.3 Time Orientation

1.United Kingdom: According to Wirba (2024), studies say that British culture values careful planning and attention to time details. They focus on completeness and caution when making decisions and acting. They have a more traditional view of time, stressing punctuality and following conventions (Wirba, 2024).

2.United States: According to Bernard (2021), studies say that in American culture, the concept of time focuses more on efficiency and quick responses. Americans tend to value results over processes. Quick action and flexibility are important to them. While they also care about punctuality, they may value flexibility and efficiency more in business situations (Bernard, 2021).

3.4 Power Distance

1.United Kingdom: According to Guiyao (2020), studies say that the UK has a more traditional Power Distance, especially in some conservative industries, and the relationship between leaders and employees is more hierarchical. Most British companies are now more equal and democratic. However, in some cases, British people may be more respectful of authority and the decisions of top management (Guiyao, 2020).

2.United States: According to Randall (2021), studies say the United States has a lower Power Distance, especially in innovative companies and technology industries, where the interaction between management and employees is more equal. American companies encourage employees to share their opinions and support a more open and democratic communication environment (Randall, 2021).

4.0 Challenges and Sensitivities in Doing Business with the US

4.1 Differences in decision-making styles

Challenge: According to Mason (2020), studies say that the American decision-making style is usually quick and efficient, focusing on fast actions and results. This is because American business culture values taking risks and moving quickly, instead of spending too much time on detailed discussions and risk assessments. UK companies, on the other hand, tend to make decisions through more detailed analysis, discussion, and evaluation. The decision-making process is usually slower and more cautious (Mason, 2020).

Sensitivity:

United Kingdom: According to Durmusoglu (2023), studies say that British companies may feel that the decision-making methods of American companies are too hasty and hasty, and lack adequate consideration and risk management. In addition, the US company may strongly urge the UK team to move the project forward quickly, which may put pressure on the UK company and team (Durmusoglu,2023).

United States: According to Rayyan (2024), studies say that American

companies may feel that British companies are too cautious and their decision-making cycles are too long, resulting in an inability to respond to changes in the market or seize competitive opportunities in a timely manner. This can be frustrating for American company teams who are used to fast-paced project progress (Rayyan,2024).

Strategy: According to Gula (2024), studies say that to overcome this challenge, both companies should try to adapt to the other company's demand for quick decision making while maintaining their original decision-making style. By setting a clear time frame in the decision-making process and ensuring that consensus is reached within a reasonable time frame, prudence and efficiency can be balanced and cooperation can progress faster (Gulay,2024).

4.2 Power Distance and management style

Challenges: According to Beatriz (2021), studies say that American enterprises usually have a low Power Distance, the relationship between management and employees is more equal, and open communication and cooperation are emphasized. Managers often encourage employees to contribute and participate in decision-making, and workplaces are often more informal. In contrast, the British corporate culture usually has a slightly higher

Power Distance, especially in traditional industries and large companies, where the relationship between superiors and subordinates is more distinct. The British are also more focused on formality and hierarchy (Beatriz, 2021).

Sensitivity:

United Kingdom: According to Yadong (2021), studies say that British companies may feel that the management style of American companies is too casual or does not respect authority enough, which may cause them to feel uncomfortable when working with American companies, especially when senior managers participate in decision-making. They may feel that their opinions are not valued (Yadong, 2021).

United States: According to Widjanarko (2023), studies say American companies may feel that British companies are too conservative and traditional, especially when it comes to decision-making, and may feel too dependent on formal hierarchies and processes and lack flexibility (Widjanarko, 2023).

Strategy: According to Gula (2024), studies say that to overcome the challenge, both companies should try to adapt to the other company's demand for quick decision making while maintaining their original decision-making style. By setting a clear time frame in the decision-making process and ensuring that consensus is reached within a reasonable time frame, prudence and efficiency

can be balanced and cooperation can progress faster (Gulay,2024).

4.3 Cultural differences and sensitivities

Challenge:

According to Claire (2020), studies say that in addition to the obvious differences between British and American companies in communication styles and decision-making methods, the differences in cultural backgrounds will also affect the response of the two companies when dealing with sensitive issues and the efficiency of problem-solving. For example, in the United States, individualism, competition and achievement are emphasized, and individual performance in work is often highly valued; In the UK, while individual achievement is also recognized, there is usually a greater emphasis on teamwork and the achievement of collective goals. Such differences may lead to differences between companies in dealing with sensitive issues such as employee motivation and performance evaluation (Claire, 2020).

Sensitivity:

UK: According to Luis (2021), studies say British employees may feel that American companies over-emphasize individual performance and competition, ignoring the importance of teamwork and collective effort, which may affect the

working atmosphere and cooperative spirit of British employees (Luis,2021).

United States: According to Nam (2020), studies say American companies may believe that British companies focus too much on collective goals, resulting in a lack of sufficient individual motivation and innovation, which may affect the company's overall efficiency and market competitiveness (Nam,2020).

Strategy: According to Satish (2021), studies say that to meet the challenge, British companies can cooperate with American companies, and both companies can try to adjust their employee motivation methods, add more collective elements, encourage team work, and do not neglect individual contribution. Let both teams reduce the time and effort spent on this challenge (Satish,2021).

5.0 Conclusion

To sum up, the cultural differences between Britain and the United States have an important impact on transnational business activities. According to Stefan (2021), studies say that the two countries share a common language and many similar business habits. However, differences in communication style, decision-making, concept of time, and social interaction often create obstacles in cooperation (Stefan, 2021). This paper uses cross-cultural communication theory to show how these cultural differences affect Anglo-American business relations.

According to Giovanna (2023), studies say that to overcome challenges in international business cooperation, companies need to increase cross-cultural awareness, adjust communication methods, and respect each other's cultural differences. For example, when British companies work with American companies, they should consider the other side's tendency for quick decisions and direct communication. They should try to reach mutual understanding and agreement. Companies can also improve team diversity, offer cultural training, and create more open communication channels in multinational teams (Giovanna, 2023).

6.0 Recommendations

5.1 Cultural awareness and cross-cultural training

According to Karine (2021), studies say that companies on both sides should give cross-cultural training to their employees to help them understand and respect the behavior, communication styles, and decision-making habits of other cultures. The training should include cultural values, non-verbal communication, social rules, and business practices. This way, employees can see their own cultural biases and learn to understand the cultural differences of their partners (Karine, 2021).

5.2 Establish clear lines of communication

According to Tahsina (2021), studies say that to overcome communication barriers and ensure smooth information flow, companies on both sides should set up clear and efficient communication channels. They can use different methods like face-to-face meetings, video calls, emails, and instant messaging to fit the preferences of employees or partners from different cultures. Clear communication rules and processes can also help avoid misunderstandings and confusion (Tahsina, 2021).

5.3 Build trust and relationships

According to Vincent (2024), studies say that in many cultures, building good business relationships and trust between partners is key to business cooperation. So, at the start of cooperation, companies should take time to build trust with the other company. They can hold meetings or social events to improve understanding, which will help future cooperation (Vincent, 2024).

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