

University of Wales Trinity Saint David

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Assessment 1

Critical evaluation report on International Business communication of UK company in Bulgaria

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Introduction

In the history of international business cross-cultural communication and studies are important areas, especially in the current global environment. The ability to carry out business communication and relate effectively takes an understanding of the inherent culture and different social dynamics from one location and region to the other. Successful individuals and entities have managed to harness the values and benefits of international communication to develop and expand their businesses beyond national and regional boundaries. Such entities have capitalised on emerging opportunities and managed to handle the prevailing challenges and emerging differences (Deresky, 2016). The focus of this study is to evaluate the cultural differences that affect communication and international business in Bulgaria with the United Kingdom as the home reference. An evaluation of these dimensions and differences using the Hofstede model helps to understand the inherent challenges and develop an effective communication strategy for businesses from the UK intending to expand into Bulgaria.

Background to the selected developing country

The purpose of this paper is to review recent research comparing UK and Bulgaria culture. Bulgaria is located in the South-eastern part of Europe, culturally regarded as the Balkan area, which is between Europe and Asia. The position means that it enjoys a confluence of European and Asia cultures. While the country has a rich culture and heritage, it is highly susceptible to invasion and instability (Varbanova, 2012). The geopolitical placing of the nation also means that it is one of the developing regions within an advanced European continent. The

World Bank classifies the nation as an upper-middle-income economy. Despite the challenges that it faces, the country has one of the most advanced and educated workforces in the continent (Musurlieva and Stoykova, 2018). The different aspects of the nation's social and cultural heritage play a major role in its Hofstede dimensions. The country is ranks 61st with an overall score of 8.7 in business measures and different surrounding aspects. The different aspects have an important role to play in ways that the company from the United Kingdom would cope and interact in developing business within the country.

Application of the Hofstede model to Bulgaria (Cultural Differences)

The main aim of this study is to investigate the differences between the UK and Bulgaria by using the Hofstede method. The dimensions evaluated are power distance, masculinity versus femininity, individualism versus collectivism, uncertainty avoidance, indulgence and long-term view. Once the aspects are interpreted, it is possible to establish and clearly understand the long-term prospects and path of a business in a new setting.

The score for power distance in Bulgaria is 70, compared with 35 in the United Kingdom (Hofstede Insights, 2022). From the outset, the score illustrates that a company from the United Kingdom will experience more impediment from the existing systems of bureaucracy in its efforts to establish business within Bulgaria. For example, the company may have to take a long time complying with all the necessary paperwork and preliminary procedures regarding its operations within the country (Boyadzhieva, 2016). It will face more pressure trying to impose the centralised structure in the operating workplace. If they decide to replicate the same organisational structure and bring part of the management from the home and parent company

there will be critical points in operations. For a growing company, the different structures would mean that subordinates have a lesser opportunity to exercise autonomy, away from the structures of bureaucracy which are in place.

Bulgaria has a score of 30 on the individualism scale, compared to a score of 89 in the UK context (Hofstede Insights, 2022). The scores on this dimension mean that Bulgaria is more collectivist while the United Kingdom is inherently individualistic. The influence of individualistic versus collectivist culture brings about the difference in how the business would run within the nation. For instance, the company from the UK is coming from an individualistic context, which means that there are inherently run structures that define the autonomy and operation in an organisation. The collectivist culture builds on mutual support and thrives through synergy. In essence, the practice of business thrives in a shared setting where the contributions through decisions of various parties all have a role in the ways an entity is run and the outcomes it can achieve. The UK company may run autonomously on the individualistic ideals, but in Bulgaria, it would take a closer involvement with the community and society before the firm can manage successfully in this market.

The score for masculinity in Bulgaria is 40, while that in the United Kingdom is 66 (Hofstede Insights, 2022). It indicates that Bulgaria as the target nation is less masculine and more feminine as compared to the UK where the dimension of masculinity is higher. The people in a less masculine society like Bulgaria work to live and are less motivated, especially in business to go beyond the ordinary as they pursue success and seek more potential (Boyadzhieva, 2016). The UK company will need more than basic motivation and drive to inspire ambition for their new operations in Bulgaria. The firm would inevitably take more time developing and sourcing the right management and operational skills in the country by finding

people that have desirable motivation and drive. It may take longer to find and train the right cadre of employees who will contribute positively and have a positive role in the workplace.

The level of uncertainty avoidance in Bulgaria is 85, in contrast to the level of 35 in the United Kingdom (Hofstede Insights, 2022). The company is going into a nation where citizens are highly threatened by ambiguity and unknown situations. The influence will immediately reflect on the UK firm since it is a new entrant trying to gain inroads into this new market. Subsequently, the local base may experience and portray aversion to its operations, including their readiness to participate in its processes and role of business activity (Boyadzhieva, 2016). The company will especially encounter challenges imposing attributes like its preference for punctuality, precision, and hard work. It will face challenges developing the same practices and norms at home in an environment where the existing system is fundamentally different and less accommodating.

The long-term orientation score for Bulgaria is 69, which is slightly higher than the score of 51 in the United Kingdom (Hofstede Insights, 2022). The attribute shows how the firm will cope and continue to thrive in the country over the long term. There are good prospects for the firm because of a pragmatic approach that is already emerging and now evident among the people in the nation. It shows that once the firm has handled the preliminary challenges of setting up and developing an articulate firm, it is now possible to proceed into actual activity and relevant processes at work. The firm may potentially excel further, even beyond the levels in the home country because of the enabling environment for long-term orientation and growth that it gets in this setting.

The level of indulgence in Bulgaria is a score of 16, against that of 69 that is recorded in the United Kingdom (Hofstede Insights, 2022). The score in Bulgaria shows people that are

restrained and controlled, with a relatively high level of cynicism. The prevailing state of pessimism in the country creates a perception that being part of practices, even in a business that is local, beyond the local norms is out of the ordinary. The people in the country may feel that it is somewhat wrong to take a part in the new business structure and lead in its processes (Boyadzhieva, 2016). The nature of industrious and well developed nations like the United Kingdom leads through their ability to take on challenges and handle them effectively, even within new instances and uncharted grounds. The same may not prevail in this setting where individuals are more restrained and conservative.

Critical evaluation of cultural sensitivity and doing business (UK Company) in Bulgaria

The specific purpose of this study was to describe differences related to country religion. Bulgaria as a nation formally identifies as a secular state. There is a general state of social and cultural tolerance that reflects in the attitudes and values of individuals within the country (Varbanova, 2012). The secular values mean that there is a guarantee of freedom and liberty for adherence and religious expression. Most individuals in the country adhere to Eastern Orthodoxy as their preferred system of religion (Alexandrova, 2015). As a member of the United Nations, European Union, and NATO security cooperation, it also benefits from the influx of integration and the other nations surrounding it within the continent. Bulgaria is a member and active player

in various entities that oversee global operations and business activity (Greenberg and Erdinç, 1999).

The country is positively receptive and accommodating to foreigners. A forecast on the country shows that the individuals are hospitable, friendly, and willing to help in many situations. A good number of the people in the country speak foreign languages, including English (Varbanova, 2012). The local state and nuances that have a major role in business are most receptive and accommodating. For instance, the locals rarely regard or perceive the foreigners, especially those that bring business as a threat to their local survival and growth (Hendrith, 2018). Instead, they view them as individuals who will contribute positively to their business and add to the prospective potential that they would achieve in the long term. The levels of tolerance and sensitivity show that with a good local understanding of the prevailing culture, it is possible to make a successful entry and develop a vibrant business within the nation.

The systems and structures within the country, including the prevailing levels of education, systems of infrastructure and the general environment are all enabling the desired development and growth within the nation (Varbanova, 2012). The same aspects also positively impact global business and the potential for firms from the United Kingdom to encounter a receptive and enabling environment within the nation. The system of religion is both liberal and diverse, in much the same way that it is manifested in the United Kingdom (Alexandrova, 2015). Together, this means a greater opportunity to enhance business potential and build on the projected synergistic value for the firm, even as it strives to realise positive change in its global environment. There is a great potential that these connections will bring much value for the firm and its new market.

Discussion and analysis of communication barriers for foreign Businesses (UK Company) in Bulgaria

There are several important areas where this study makes an original contribution to the communication barriers and challenges between the UK and Bulgaria. The main barrier that firms, including the company from the United Kingdom, would face in Bulgaria is language. More than 85% of locals in the nation speak Bulgarian as their first language with other minorities taking the other portion (US News, 2020). The indigenous influence from their first language has a dominant role in how they communicate and relate, especially in an international context. Despite the affluence of the English language as part of the popular foreign languages that locals can also speak, the influence from the existing language is evident and quite dominant. A local in the country will formulate decisions and develop structures in communication by using their Bulgarian culture as the reference point for communication.

The other critical influence is the prevalence and choice of face-to-face communication as a core aspect in developing relationships within the country. In the current era of globalisation and synergy, this means a higher challenge in developing connections without physical presence (MTD Training, 2010). For example, if the executives in the new business intend to make different correspondence regarding the business, they will have to travel physically every time, especially in the preliminary stages. Taking into consideration the current constraints in international travel, this means that it would make things harder for the firm. The locals and systems in the country value actual integration and a physical sight before developing such long-term engagements. This amounts to an important consideration for the business, even as it strives to build on-ground engagement and create structures for its business. The people are also vocal

and talkative, which makes the physical structure for communication more important in cross engagement.

Recommended communication strategies for UK Company to Succeed in Bulgaria

Based on the evaluation of the business environment in Bulgaria, the first recommendation for business communication and success for the new firm is a local touch and appeal. The executives must develop a close awareness of the existing cultural system at the local level (Hendrith, 2018). The best way to do this involves coming down to the local level and spending time within the country, even as it builds the structures for the new entity. The firm will practically need to start by appointing the management team that would lead the business long before its actual inception and commencement of business. The preliminary preparation will lay down the details and make a clear roadmap which the firm will follow by beginning with knowledge and a local touch.

The firm will need to develop a lead management team from the home nation in the UK. There are fundamental differences noted in the Hofstede model that would make it hard to use locals in the country at the executive level (Greenberg and Erdinç, 1999). From inception, the business must develop the same structural values as the home entity to ascertain its success in the new nation. This makes it important to formulate a leadership team from the United Kingdom. The team will then steer operations here and gradually find like-minded professionals that would fill roles at the operational level. That way, the company will build a firm in the country from scratch by capitalising on like-minded voices that augment and enable its business path.

The firm must identify and incorporate local values in the structure of its business. For instance, the intention of the business, right from the outset, must conform to the needs of the locals and the national orientation. There is an opportunity for long-term success in the business once it has through the preliminary challenges. Its success beyond these points depends on its overall orientation and the ways that this reflects on the needs and values of the locals in the country (Dimitrov and Ivanov, 2022). A business with conformity will retain the local touch and ascertain long-term appeal through its operations and overall involvement in the business. This will also tap into the friendly nature of the locals to ensure success for the new business.

Conclusion

The communication environment for business in Bulgaria combines its social and economic aspects to develop a composite image of its potential for business. The country has a mix of European and Asian heritage that manifests in its inherent culture and reflects in its values. Economically, the country has a well-developed local population with high educational attainment and global receptivity. It remains economically behind, especially when compared to its counterparts across the continent. The features of the country on the Hofstede model show how culture and social aspects reflect on economics and business potential. The different attributes show that for the UK company to succeed, it has to build on local touch by bringing a management team that would build the structures and give way for business at the operational level. A combination of knowledge from the home country and need congruence at the local level would help to ascertain success for the firm from the United Kingdom and its business in Bulgaria.

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