

UWTDS

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Assessment 1

Cultural analysis in business communications UK / Bulgaria

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1. Introduction

In recent years, there has been an intensified focus on the issue of cross-cultural communications and the management of intercultural sensitivity in international business.

With the rapid globalisation and the conglomeration of international markets into a near-single entity, conducting cross-border business has become the norm rather than the exception. Succeeding abroad, however, is not always straightforward. As argued by Daniels and Sullivan (2011), companies and managers venturing abroad soon realise that they have to deal with cultures and cultural values that are considerably different from their own. Often, these cultural differences get in the way of intercultural communications, hence presenting cross-cultural risks as a leading risk in international business (Vlad et.al., 2018). Managing cross-cultural communications and sustaining cross-cultural sensitivity is essential to communicate effectively and succeed in international business at the personal, professional, and business levels.

The remaining part of this report is organised as follows. Section two will introduce the developing country that has been selected for this paper, Bulgaria, followed by an explanation of the cultural differences between the UK and Bulgaria. The assessment includes an in-depth analysis of issues that could present some cultural sensitivity, followed by an explanation of diverse barriers to communication considering the disparate cultures of the two countries. The report will include appropriate recommendations to address the challenges in international business communications. The final section will present a summary of findings and conclusions from the aforementioned research.

2. Main Body

2.1 Introduction to the developing country selected – Bulgaria

Bulgaria is a small country in Europe that sits on the Balkan Peninsula. It is specifically located in South-eastern Europe. Notable neighbouring countries include Turkey, Serbia, Romania, Kosovo, North Macedonia, and Greece; hence occupying a strategic location for European businesses looking to export to the broader Eastern European market. Bulgaria's capital is Sofia. It is a relatively small country compared to the UK. According to the latest World Bank statistics, Bulgaria had a total population of approximately 6.94 million people as of the year 2020 (World Bank, 2020).

Bulgaria's official language is Bulgarian, which is spoken by 85 percent of the country's population. Its second-most spoken language is Turkish (9.1%), followed by Romani (4.2%) (Constitution of Bulgaria, 2015).

The Republic of Bulgaria recognises Eastern Orthodox Christianity as the country's historic religion.

Bulgarian culture is a fascinating mix of Thracian, Slavic, and Bulgar traditions. The country also has a significant folkloric history that affects many facets of art, literature, music, festivities, and everyday life (Borina, 2018)

It is a developing nation with an upper middle-income economy. While initially a socialist state, Bulgaria has increasingly looked to the Western political and socioeconomic model in recent decades. The country became a member of the European Union (EU) in 2007 and has since sought to become part of the Schengen Area. It is a parliamentary republic with the prime minister as the executive arm of the government. A democratically elected president heads the state (Bulgaria, 2022).

Bulgaria has a relatively unique socioeconomic profile relative to the UK. It is a developing nation with an upper middle-income economy. The country had a total annual GDP of US \$69.11 billion in 2020. This is relatively lower than the UK's advanced economy of US \$2.7 trillion in the same year. Even so, Bulgaria has achieved tremendous economic growth since the turn of the millennium, with the country's annual GDP rising from a low US \$13.25 billion in the year 2000 to the US \$69.11 billion in 2020 (World Bank, 2022). Wholesale, retail trade, and transport remain the most dominant aspects of the Bulgarian economy (Bulgaria, 2022). The country has grown increasingly multicultural over the years.

Technological entrepreneurship and innovation are focused in high-tech areas. Companies manufacture computer, communication, electrical, and optical goods generate technical entrepreneurship. Moreover, high-tech companies generate pharmaceutical components and drugs (Ahmedova, 2021).

2.2 Cultural differences

The primary aim of this section is to study and explore the cultural differences between the UK and Bulgaria using Hofstede's (2001) dimensions of culture. The disparities in each dimension are highlighted as follows:

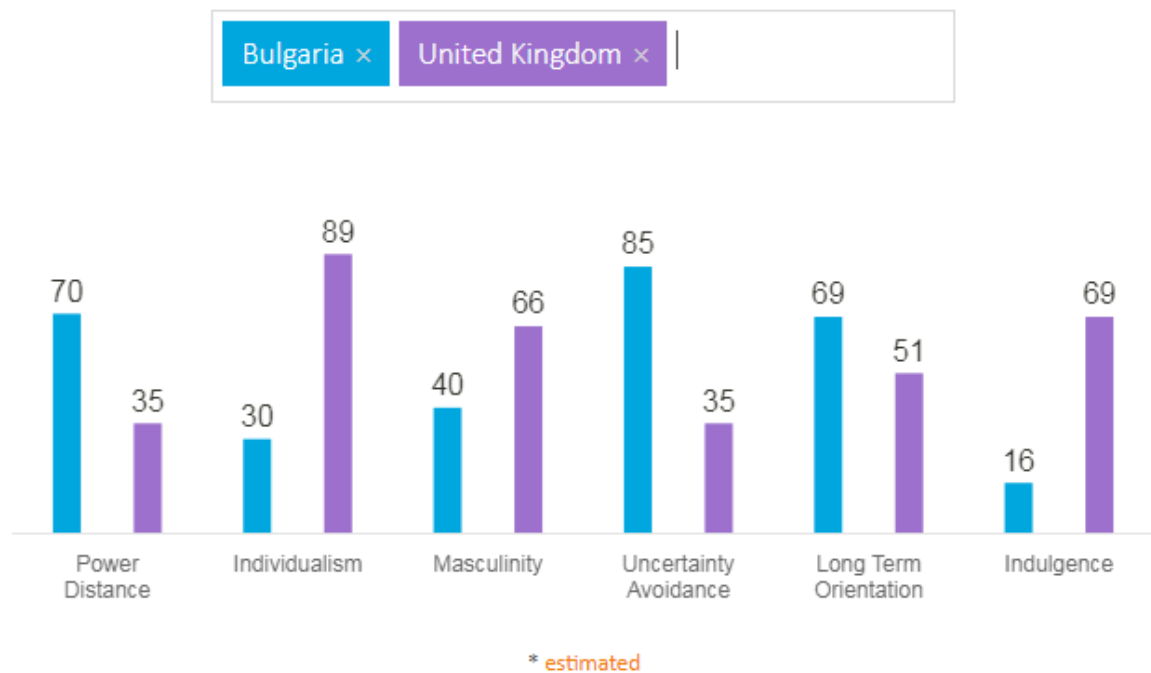


Figure 1: UK vs Bulgaria Cultural Differences based on Hofstede's framework
(Hofstede Insights, 2022)

2.2.1 Power Distance

Bulgaria culture scores highly on the power distance dimension, with a relatively higher score than the average (70) and the UK's score of 35. This means that in Bulgaria, individuals accept the hierarchical distribution of power and are expected to behave consistent with the system inherent social inequalities when communicating with colleagues, subordinates, or superiors. A high-power distance suggests that downward horizontal communications is prevalent and highly acceptable in Bulgarian business settings, and superiors are expected to communicate consistently and give instructions to subordinates.

The UK, in contrast, is a more egalitarian society compared to Bulgaria. This means that a sense of fair play dominates expectations of how people communicate in the

workplace and business settings. The low score on power distance suggests bosses routinely maintain respectful communications with all employees, regardless of rank or place in the corporate or business hierarchy.

2.2.2 Individualism

The UK scores relatively higher (89) than Bulgaria (30) on individualism. This suggests, that even when in the workplace, it is normal and expected for people to think of themselves and behave in ways that are self-beneficial. Business communications in the UK are therefore more geared towards individuals than entire organisations and expected to appeal to individual interests if it aims to spur changes that would ultimately affect the group or the organisation as a whole.

Bulgaria, on the other hand, is a more collectivist society. In a collectivist culture, business communications would be more geared at collective interests than individual interests. As suggested by Hofstede (2001), collectivist cultures perceive the workplace and work relationships in moral terms. This suggests that unlike in the UK where employers are highly likely to handle employee issues from a strong capitalistic perspective, managers treat employees like family in the Bulgarian corporate setting.

2.2.3 Uncertainty Avoidance

There are significant differences in how uncertainty is perceived and addressed in the two cultures. The UK scores very low on uncertainty avoidance (35) while Bulgaria scores very high on the same (85). These scores reflect the UK's high tolerance for uncertain or ambiguous situations compared to Bulgaria where people prefer certainty and try to avoid uncertainty and ambiguity at all costs. Hofstede

(2001) contends that, in countries with high uncertainty avoidance, numerous beliefs and institutions exist to prevent and discourage uncertainty or any behaviour that creates ambiguity. Hence, unlike in the UK where there will be less clear or less rigid rules of communication, business leaders moving to Bulgaria can expect to encounter rigid rules of interaction and communications that are meant to prevent any uncertainty about how people should behave or communicate in the workplace or in business meetings.

2.2.4 Masculinity

The society in the UK is more masculine (66) than Bulgaria (40). In a high masculine society like the UK, where values like hard work, competitiveness, achievement, being the best, and success are not only valued, but also rewarded. The UK employer would therefore be moving from a system where at work and elsewhere in life, the society and individuals are driven by the values. Bulgarians, on the other hand, prioritise feminine values in contrast to the UK. This finding suggests that in every aspect of life in the workplace and outside, including business communications, consensus, equality, solidarity, and the quality of people's lives take centre stage.

2.2.5 Long-term Orientation

The UK (51) is less normative than Bulgaria (69). This means people in the UK prefer to maintain time-honoured traditions and approach change more suspiciously than their counterparts in Bulgaria. Per Hofstede's (2001) assertions, businesses and businesspeople shifting business to Bulgaria would be expected to behave practically and promote conditions where pragmatic workplace behaviours

and values are perceived in every aspect of workplace behaviour and business communications.

2.2.6 Indulgence

The UK's relatively high score of 69 contrasts with Bulgaria's very low score of 16 on indulgence. This means any businessperson moving to Bulgaria from the UK should expect to encounter a considerably restrained culture as opposed to the UK's high indulgence culture. This means that employees would feel restrained by culture and social norms from communicating their grievances openly or raising objections even when there is no reason to do so. The business leader would also be expected to demonstrate considerable restraint when communicating with others. This is significantly different from the UK where expressing feelings and realising freedoms when communicating is the norm.

2.3 Cultural sensitivity

This section explores cultural sensitivity as it relates to communicating in an international business context. As argued by Paul et al. (2011), cultural sensitivity is a broad concept encompassing diverse components and facets of human behaviour. There is a widespread consensus, however, that cultural sensitivity plays a fundamental role in effective functioning and communications at both personal and professional levels where businesspeople and expatriates are highly likely to encounter vastly different cultures and cultural values that shape the dynamics of organisational behaviour and communication in the workplace, business-related contexts, and outside the business with the rest of the society. Shapiro et al. (2008) defines cultural sensitivity as the individual's willingness and ability to "monitor the

new environment and engage in sense-making using emic and situated knowledge structures, and these understandings are used to perform enacted procedural knowledge” (Shapiro et al., 2008, p. 14). Additionally, cultural sensitivity has been defined as existing in three major dimensions: cognitive, affective, and behavioural. As a result, it is perceived as a broadly encompassing concept to the disparate approaches used to describe and guide successful cross and intercultural interactions and communications in the international business context, including but not limited to cultural competence, cultural intelligence, and openness to new experiences, viewpoints, value sets, and behavioural norms in new cultures.

Cultural sensitivity can aid communications and functioning in cross-cultural assignments and intercultural interactions in international business. As argued by Paul et al. (2011), it is an essential element of a global mindset for businesspeople and expatriates to manage effectively in a globalised context. Having culturally skilled employees is essential to succeed in today’s highly globalised business environment where employees and managers regularly engage in intercultural and cross-cultural encounters and communicate in vastly different cultural contexts far from the familiarity of their host countries. According to Shapiro et al. (2008), marketing managers who are culturally sensitive can buy successfully and negotiate effectively in international business settings when they are more culturally sensitive. Organisations, in which cultural sensitivity is prioritised and intercultural skills emphasise organisational communications, can attract and retain host country employees more easily compared to where such concepts are overlooked. Overall, business leaders, managers, and employees must display cultural sensitivity in their interactions and communications to succeed in the international business context.

2.4 Communication barriers and challenges (UK VS Bulgaria)

2.4.1 Language Barriers

Language barriers can severely hinder communications for foreign business owners in Bulgaria. According to Cavusgil et al. (2015) language is a key dimension of culture that undoubtedly presents the most perceptible cultural barrier to effective communications in international business. As a principle mirror of the diverse culture's dominant in different parts of the world, language matters because it is the most important means by which people communicate. The reality, however, is that with more than 3000 distinct languages and a further 10,000 dialects spoken worldwide, foreign businessmen often encounter vast challenges communicating effectively in most host country's dominant languages. UK managers are highly likely to be well-versed in the country's dominant language English, with less proficiency in the dominant and official language of Bulgaria, Bulgarian, as well as other languages such Turkish and Romani spoken in the country. Having limited linguistic proficiency in the host country's dominant and official languages is a major barrier to communicating and doing business in the host nation.

2.4.2 Non-Verbal Communications

Lacking proficiency and cultural sensitivity to the non-verbal aspects of host nations culture and communications can also hinder effective communications for foreign managers. While expertise in the verbal aspects of the dominant language is essential to communicate and accomplish business operations successfully, the non-verbal aspects of language and culture are less visible yet highly impactful aspects that can complicate relatively straightforward interactions and communications. According to Griffin and Pustay (2015), 80-90% of all information is communicated

via non-verbal communications. While the members of the host society might find it easy understanding the non-verbal aspects of communications, this is a notable challenge for foreigners because they are more deeply ingrained in the culture and take more time to learn. For example, in Bulgaria shaking the head indicates acceptance. whereas disagreement is demonstrated by nodding one's head. As a result, this contrast can lead to misunderstandings in communications (Daniels and Sullivan, 2011).

2.4.3 Values and Attitudes

The differences in the values and attitudes between the home and host countries can equally contribute considerably to communication challenges for UK businesses in Bulgaria. Values, according to Daniels and Sullivan (2011) represent an individual or society's judgments about what is good or bad, acceptable, and non-acceptable. Attitudes and preferences, all concepts underlying communications in the organisational and business settings, are determined by the underlying values. As demonstrated in the previous analyses of the cultural differences between the two countries, the vastly different cultural values underlie the significantly different expectations in communications and other aspects of behaviour between the two nations. Thus, a poor understanding and limited sensitivity to the cultural values and attitudes pervasive in Bulgaria can hinder communications for foreign businessmen in the host country.

2.5 Communication strategies and recommendations

2.5.1 Language and Non-verbal Communications

Foreign businessmen must seek proficiency in both the verbal and non-verbal aspects of the dominant languages in the host country. Having proficiency in Bulgaria, for instance, would be an invaluable asset for expatriate managers because of the ease of communicating with host nation employees in the company's overseas operations in Bulgaria. Taking a language proficiency course or training before going abroad and continuously improving one's foreign language proficiency is invaluable in the international business landscape. Competency in the acceptable and formal non-verbal aspects forms of communication is also essential to avoid misunderstandings when interacting and communicating with employees, business partners, and other stakeholders.

2.5.2 Cultural Sensitivity

Developing and consistently displaying cultural sensitivity is essential to communicate and function effectively in the host country. Merely developing foreign language proficiency is insufficient to successfully run an organisation and conduct business in a foreign language. As stated, it is an ongoing process of "monitoring the new environment and engaging in sense-making using emic and situated knowledge structures, and these understandings are used to perform enacted procedural knowledge" (Shapiro et al. 2008, p. 14). It is also not merely about learning and understanding the differences in culture. Instead, foreign businessmen, managers, and employees must passionately immerse themselves in the new culture and consistently improve their knowledge and understanding of the culture, followed by enacting the relevant aspects of the culture in their daily communications and

interactions in the new business settings. Participation in cultural training would be a fundamental starting point for developing and enacting cultural sensitivity.

3. Conclusions

Effectively managing cross-cultural communications and demonstrating cultural sensitivity is essential to communicate efficiently and function successfully in the international business setting. The target host nation Bulgaria is vastly different from the UK in terms of language, culture, as well as in terms of cultural values and norms. While moving operations to Bulgaria presents an opportunity to grow the business, demonstrating cultural sensitivity while operating in the country, communicating, and interacting with employees, colleagues, business partners, and other stakeholders, is indispensable to function successfully in the new country and culture. Proficiency in Bulgarian and other dominant languages could help foreign business leaders to operate successfully in the new country.

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