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International Business Communications

ASSIGNMENT 1: International Business Communications
and Cultural Challenges between UK and Pakistan.

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Chapter 1. Introduction

In the history of international business and communications studies, the issue of cross-cultural communication and cultural sensitivities has been identified as a critical issue that international business leaders must consider when doing business in another country. This has become an even more central issue as businesses seek opportunities beyond their national or regional borders as a result of globalisation.

Many western companies closed factories and moved their production from their home country to the developing countries, because of low labour costs, low production costs, cheap transport, and infrastructure. (CIMA GLOBAL, 2010; Insight-quality, 2020) Taking these advantages into account, a UK-based business is considering moving its own manufacturing to a different location in Pakistan. However, the company has a concern about cultural sensitivities and cross-cultural communication issues.

Therefore, the report will give an overview of the developing country- Pakistan and the paper will proceed with application of Hofstede cultural dimensions to find out cultural differences between UK and Pakistan. The remaining part of the report will critically evaluate the cultural sensitivity and analyze the communication barriers and challenges, experienced by foreign companies in Pakistan. The research will give effective communications strategies as well as other relevant recommendations to help the organization succeed in Pakistan.

Chapter 2. Main body

2.1 Introduction to Pakistan

Pakistan is a South Asian country with a **population** of 229,488,994 people, largest Muslim country in the world with 96.5% Muslims of total population. (World Population Review, 2022)

The official **languages** of Pakistan are Urdu and English. The country's constitution and statutes were created in English at first, but they are presently being translated into local languages. The English language is also used at many educational institutes across the country. Along with the national languages, English is spoken in the homes and informal groups of the country's elite. Urdu is also Pakistan's official language and is used to government administration, formal occasions, and it is taught in educational organizations. The country's provincial languages are Punjabi, Pashto, Sindhi, Saraiki, and Balochi. (World Atlas, 2016; Wikipedia, 2022)

The official **currency** of Pakistan since 1948 is Pakistani rupee. (Wikipedia, 2022) The **GDP** value of Pakistan is 263.69 billion dollars, and it is 0.23 % of the globe economy. (Trading economics, 2020) The **unemployment rate** is 6.3%, which is not stable. (Qureshi, 2022) Long-standing economic structural flaws and low productivity growth pose threats to a long-term recovery. (World Bank, 2021) According to World Bank (2022) the country's total labour force is 73,780,211.

Pakistan has one of the globe's weakest higher **education** systems, while the United Kingdom has the world's strongest. Quacquarelli Symonds (QS), a British ranking agency, has ranked Pakistan 50th, with an overall score of 9.2. Despite the government's claims of billions of dollars invested in the nation's education system, Pakistan received the lowest rank of the fifty countries on the record. (The Express Tribune, 2016) Pakistan's education issues are exacerbated by the country's rich religious heritage and the presence of the Taliban throughout the majority of the country. (ACMC, 2022) An approximate 22.8 million children aged 5-16 are out-of-school. Gender, socioeconomic status, and geographic

disparities are significant; boys outnumber girls at all levels of the education. (UNICEF, 2016)

Education, language, legal and political systems, religion, and values are all factors affecting national **culture**. (Mullins and Mclean, 2019, pp.47-48)

Culture is a set of common beliefs, understandings, assumptions, and ambitions that are learnt from previous generations, imposed by recent society members, and transmitted down to next generations. (Punnett and Shenkar, 2004, p.144).

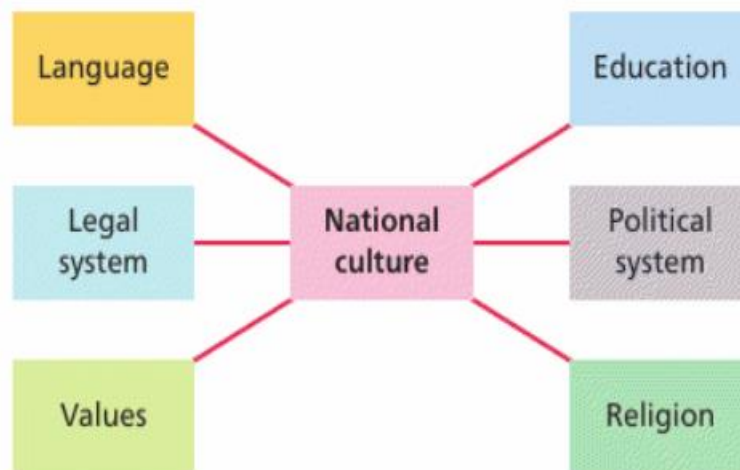


Figure 1. Factors influencing national culture. (Mullins and Mclean, 2019, p.48)

Differences in national culture between UK and Pakistan can lead to the lack of shared norms and value. Consequently, this can affect the communication, decision making process and overall performance of the international business.

To minimise potential negatives and establish successful organisations in Pakistan, it is critical for UK-based businesses to understand and appreciate cultural differences and sensitivities in the foreign country. (Reynolds, 2018)

2.2 Cultural differences – Hofstede’s cultural dimensions

Geert Hofstede evaluated the impact of ***national culture*** on work-related values and information system design in 1980. He built his context by analyzing anthropological and sociological theories and works. Geert Hofstede created this context based on his investigation with over 116,000 people from 50 different nations. Individualism-collectivism, power distance, uncertainty avoidance, and masculinity-femininity are Hofstede's four dimensions of national culture. (Deresky, 2017, p.118; Hoppe, 2004) His research led to the creation of six cultural aspects, as well as the addition of Long-term/Short-term Orientation and Restraint/Indulgence. (Bruin, 2017)



Figure 2: Hofstede’s Cultural Dimensions (Bruin, 2017)

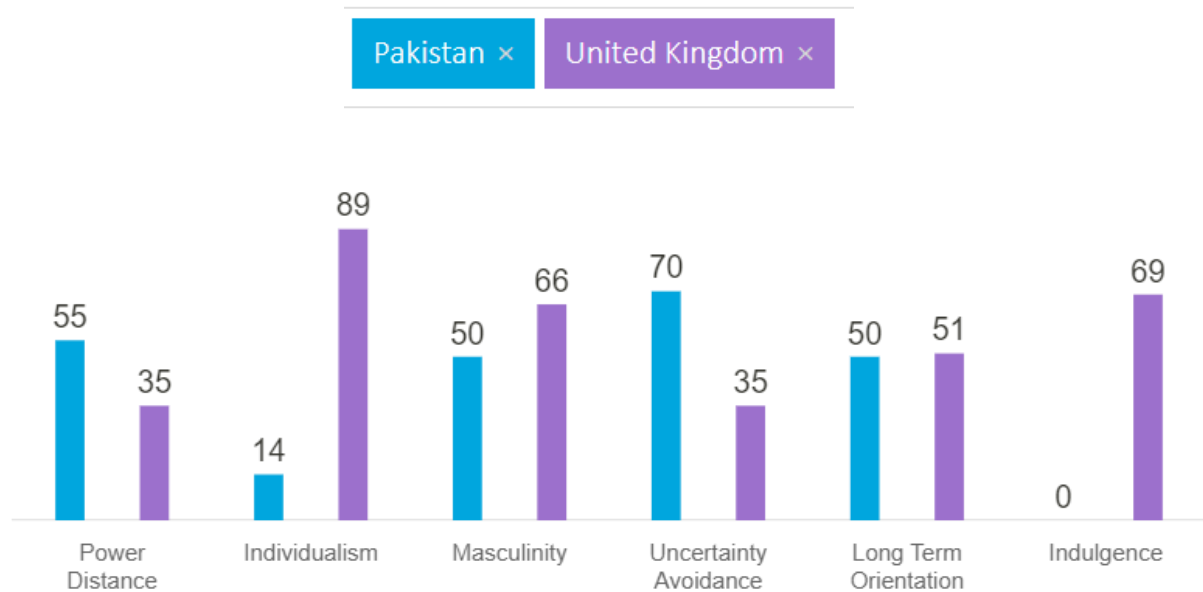


Figure 3. (Hofstede Insights, 2022)

- **Power Distance**

With an intermediate score of 55 on this category, it is impossible to identify a preference for Pakistan. However, in the United Kingdom, power distance is low, and the culture believes that inequalities should be avoided and that everyone should be regarded as equals in some way. Superiors and subordinates in the United Kingdom are more likely to see each other as equals in power, resulting in greater harmony, open discussion of ideas, and improved cooperation. (Deresky, 2017, p.120; Hofstede Insights, 2022)

- **Individualism**

UK scores 89 and it has an individualistic culture. The British are private people, problem solving, achievements, democracy, and individual initiative are highly valued.

Pakistan, with a very low score of 14, is considered a collectivistic society, where the people act in the interest of the group. The loyalty is important for Pakistan. (Hofstede Insights, 2022)

- **Masculinity**

The United Kingdom obtains a score of 66, indicating that it is a Masculine society that is highly goal-oriented and driven, while Pakistan receives a score of 50, indicating that it is an exact intermediate score that cannot be used to determine whether Pakistan prefers Masculinity over femininity. (Hofstede Insights, 2022)

- **Uncertainty avoidance**

Pakistan has a score of 70 on the uncertainty avoidance dimension, indicating that time is money, and that people are driven to stay busy and work hard. The United Kingdom has a low Uncertainty Avoidance score of 35, indicating that as a nation, people are happy to wake up not knowing what the day holds. (Hofstede Insights, 2022)

- **Long Term orientation**

Long term orientation for both countries are with intermediate scores, this does not indicate a strong preference in either direction. (Hofstede Insights, 2022)

- **Indulgence**

A high indulgence score of 69 shows that British culture has an optimistic outlook and an inclination toward optimism. However, Pakistan has a score of 0, society tend to highly pessimism and cynicism. (Hofstede Insights, 2022)

As a result, individualistic UK will perform better when working alone, but collectivistic Pakistan will perform well working with other members of the group. UK with a low uncertainty avoidance dimension will be more innovative and less constrained by rules, but less loyal to the company. Pakistan, on the other hand, will have strong loyalty, long-term employment, prefer hierarchical control roles, but will resist innovation. (Husted and Allen, 2008)

2.3 Cultural sensitivity when doing business in Pakistan

Cultural sensitivity, also known as cultural empathy, is the understanding of and genuine interest for another individual's culture. Such sensitivity necessitates the capability to comprehend the perspectives of those living in other (and very different) societies, as well as the willingness to put oneself in the shoes of another.

Awareness the dimensions, nature, and variables of Pakistani culture, as well as how these impact business and organizational practices, can be extremely beneficial to UK-based business managers before relocating manufacturing to Pakistan. (Deresky, 2017, p.108)

Pakistan is the largest Muslim country, and the religious impact of Islam has also deeply formed Pakistani culture. Most of Pakistan's regions still have gender segregation due to tribal and Islamic pressures, and big cities have conservative expectations in terms of interactions between men and women. (Gulwani, 2017) Shaking hands with men is not appropriate for a woman. (IMA, 2018)

The UK-based business needs to be familiar with local customs and must respect Muslim conventions.

Despite this, the people of Pakistan are friendly, humble, and approachable. (Gulwani, 2017)

People in Pakistan are extremely sensitive to the Islamic month of Ramadan. They are reducing office working hours in both the public and private sectors, so it is vital to avoid planning a business trip during the month because it is difficult to get appointments. (IMA, 2018)

It is necessary to stand in meetings to greet people as they enter the room and to inquire about their well-being and that of their families. Forgetting to inquire about a person's family demonstrates insensitivity and an opportunistic mindset. (Cultural Atlas, 2022)

Pakistanis prefer to conduct business face to face rather than over the phone, and business cards are frequently exchanged during these meetings. (Cultural Atlas, 2022a)

Gifts in Pakistan should be given and accepted with both hands or only the right hand. Muslims should not be given gifts made of pigskin or alcoholic products. (Deresky, 2017, p.157)

Respect in Pakistani corporate culture is mostly determined by a person's age and standing. Elderly folks must be treated with the greatest respect possible. (Cultural Atlas, 2022)

Trust is an essential element in Pakistani business culture. The family-run enterprises are quite common, and they are typically passed down through generations because nepotism is thought to guarantee trust. (Cultural Atlas, 2022a)

The cultural awareness can enable UK-based business to create suitable policies and decide how to organize, lead, plan, and control the negotiation process. A lack of cultural sensitivity, on the other hand, can cost businesses money and opportunities. (Deresky, 2017, p.108)

2.4 Communication barriers and challenges (UK vs Pakistan)

The success of international commercial transactions or the output of a culturally diverse staff will be primarily determined by a manager's ability to successfully communicate across cultural barriers. It is therefore beneficial to break down the factors involved in the communication process in order to better comprehend the cross-cultural difficulties at hand and to optimize the opportunity for the parties conversing to establish shared meaning. (Deresky, 2017, p.150)

Language barriers between home and host countries would prevent organizations from entering foreign markets. However, the constitution and statutes of Pakistan were written in English, which is also used in many educational institutions throughout the country. In Pakistan, national employees are required to speak English. As a result, the language barrier will not prevent UK-based businesses from expanding into Pakistan.

The American anthropologist Edward T Hall divides the world's cultures into low context and high context communicators, and a number of cross-cultural experts have adopted his terminology. (Carte and Fox, p.19)

High context cultures, which include African, Latin American, and Asian countries, have indirect communication styles, words are less significant, shared group beliefs, and a strong emphasis on the past. The **'low' context** societies are the United States, Australia, the United Kingdom, and the Scandinavian countries. (Mullins, 2013, p.31)

Pakistan has high context culture, the communication is indirect, implicit, clear, honest, and fully prepared for. They draw meaning from posture, attitude, and tone of voice rather than using words. Pakistanis are less concerned about personal space than Westerners and will approach their subjects closer. However, people of opposing genders are kept at a greater distance. They believe the knowledge depends very much on situation, context, and time. The people are relationship oriented and prefer tradition over change. Pakistan places more value on the building of relationship in the negotiation process.

UK has a low context culture, the communication is explicit and straight forward, specific, and detailed. More attention is on verbal communication rather than body language. The knowledge is transferable. UK prefers change over tradition. (Carte and Fox, p.19; Mullins, 2013, p.31)

A lack of understanding in cross-cultural communication between people from high and low contexts might prevent a solution from being achieved, resulting in conflict.

Before making a business decision, the UK will demand extensive specific information, but Pakistan will rely on understanding of the persons involved—the information is present, but it is implicit.

People in Pakistan regard those from the United Kingdom as overly talkative, obvious, and redundant. High-context people are perceived as secretive and mysterious by those from the United Kingdom.

It might be hard to maintain the correct balance between low- and high-context communications, as Hall point out: *“Too much information leads people to feel*

they are being talked down to; too little information can mystify them or make them feel left out.”. (Deresky, 2017, p.166)

2.5 Communication strategies and recommendations.

- The principles of International Business Communication demands: language impact, active listening, conflict management, and uncertainty reduction. (Abugre and Debrah, 2019)
- Communication strategies such as managing meeting, asking questions, challenging/defending an opinion, summarizing, persuading, and compromising can be beneficial to achieve a business objective.
- Managers can create a cultural profile, of a nation using research findings and personal observations. This profile can assist managers in anticipating how to inspire individuals and manage work activities in a specific international context.
- Cultural sensitivity, careful encoding, selective transmission, careful decoding, and suitable follow-up actions are all steps toward effective intercultural communication. (Deresky, 2017, p.177)
- • Managers must develop cultural sensitivity in order to forecast and accommodate societal behavioral variances. They must also resist parochialism, which is the assumption that one's own management approaches are superior in any situation or location, and that others should follow in one's footsteps. Important is to understand their beliefs. (Deresky, 2017, p.141; Carte and Fox, 2008 p.64)
- Another aspect of communication is understanding the significance of nonverbal communication. To know a culture, we must not only learn their language but also closely monitor their body language, which include facial gestures, body postures, proximity, and paralinguistics.
- Cross-cultural communication management is heavily reliant on a manager's personal behavior and abilities. The manager needs to have openness traits and an internal locus of control, a tolerance for ambiguity, persistence, and resourcefulness. (Deresky, 2017, p.176)

Chapter 3. Conclusion

The report investigated various models and aspects. According to the Hofstede model, the differences in individualism, indulgence, and uncertainty avoidance aspects between the UK and Pakistan would make cross-cultural communication and decision-making challenging.

In relation to Ed Hall context, Pakistan has been identified as having a high context culture, whereas the UK has a low context culture. This difference can present another challenge in international business communications.

As a result, communication strategies and recommendations for a successful partnership have been provided.

To minimise potential communication barriers and establish successful organisations in Pakistan, it is critical for UK-based businesses to understand and appreciate cultural differences and sensitivities in the foreign country.

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