

Cultural Dimensions Relevant to Business Cooperation: The Evidence from JP Garmnet Ethiopia and Ningbo Chuangxing Intelligent Co.,Ltd

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Abstract

Understanding the need of cross-cultural cooperation is becoming increasingly crucial as business becomes more global. As a result, the impact of cultural variations on business cooperation is examined in this study. The research's major goals were to i) look into how existing cultural differences influence international business cooperation, ii) determine the relationship between culture and business, and iii) look into how cultural differences influence business cooperation in the company. The study had a sample from the respondents from JP Garment Ethiopia (Ethiopia) and Ningbo Chuangxing Intelligent Co.,Ltd (China). The regression analysis was tested to reveal the impact of cultural variations in business cooperation and Sobel test is employed to check the mediator (partnership attitude) mediates the connection between cultural distinction and business cooperation. According to the findings, MNCs seeking success should ensure that their management and personnel have a thorough understanding of the environment in which they operate.

Keywords: Culture distinction, Cultural Dimensions, International business cooperation.

DOI: 10.7176/JESD/13-6-07

Publication date: March 31st 2022

1. Introduction

When expanding a business beyond national borders, managers and other employees must understand how to deal with other cultures. This is critical for a successful business. Doing business on a global scale poses numerous problems due to a range of elements that vary from one market to the next. These variations are largely influenced by the host country's atmosphere, which is frequently different from that at home.

1.1 Background of the study

There are numerous methods for examining cultural variations between countries and determining their impact on international commerce. Cultural variations can become a specific barrier in the business communication (Nowakowski, 2005). Therefore, it's very essential to talk relating to the weather that influences the business cooperation. Advanced Communications demonstrated exponential growth; innovation became more rapid. Culture has an impact on technological transfer across nations, management attitudes, organizational ideology, and even business-government ties. Hence, it is essential to know about culture whether or not being one factor people have, it's associate exemplary one. In this instance, success in both the original agreement and the long-term commercial partnership will be contingent on sensitivity to differences in communication, value systems, and behavioral standards between themselves and their hosts. Nowadays, joint trend is increasing in the world economy with economic exchanges amongst nations and cooperation has developed rapidly. Culture is one of the environmental factors that pose such a problem. Understanding the culture of the people with whom you do business is critical to having successful business relationships and attaining your goals.

As a result, there are issues with international businesspeople who have a high inclination to overlook the differences and uniqueness of other cultures, particularly in developing countries. For example, the way enterprises are run, their attitude toward time, the culture's communication framework, and so on. This paper aims to identify such issues and respond to queries about cultural differences.

2. Literature review

The literature on cultural variations in business cooperation was reviewed in this area. Culture is defined as a group of people's norms, values, beliefs, and attitudes, and it frequently incorporates traditional activities. It's assumed to be a reaction to the environment (Hofstede, 2001). Cultural variations can become a specific barrier in the business communication (Nowakowski, 2005). Cooperation is viewed by many scholars as a socialization of values that leads to adherence to social standards (Durkheim, 1938). Corporations and other significant companies do business in other countries. There are social conventions as well as business and negotiation etiquette norms to follow. It is well acknowledged that international expansion is critical when starting or growing a firm. International clients may visit you to conduct business, in addition to corporate representatives and executives traveling abroad. As a result, it is critical that personnel at all levels be educated.

3. Methodology

This section of the research aims to illustrate the research approach, research design, study population, sampling methodologies, data collection instruments, and so on. The data for this study will be gathered using questionnaires as the primary source of information. As a research strategy, the study will use a mixed methodologies approach.

4. Results

The purpose of this study is to examine the level of cultural difference on business cooperation, with hypothesis testing on communication, social structure, political policies, and etiquette, and how they affect international business cooperation. Cultural differences have an impact on international economic cooperation, according to the findings of this study. This was supported by results in the regression model summary which revealed that the cultural differences affected business cooperation by 96% determined by the R-squared value. The table below shows the regression results in detail.

Table 1: Coefficient table

Model		Unstandardized coefficients		Standardized Coefficients	T	Sig
		B	Std. error	B		
1	Constant	1.282	0.290			
	Communication	0.141	0.035	0.329	4.060	.000
	Social structure	0.209	0.07	0.249	9.829	.002
	Etiquette	0.171	0.041	0.340	4.214	.013
	Power distance	0.136	0.036	0.306	6.436	.003

Source: Field survey, 2019

Dependent: Business cooperation

The coefficients table above shows how each of the independent factors contributes to predicting the dependent variable. In determining the extent of cultural difference on business cooperation, all predictors were highly significant (sig 0.05). The coefficients table above indicates the contribution of each of the independent variables in predicting the dependent variable. All predictors were very significant (sig < 0.05) in determining the level of cultural difference on business cooperation.

Table 2: Structural model analysis

H	Relationship	t-vale	P-vale	Decision
H1	Business cooperation → Communication	4.060	.000	Supported
H2	Business cooperation → Social structure	9.829	.002	Supported
H3	Business cooperation → Etiquette	4.214	.000	Supported
H4	Business cooperation → power distance	6.436	.003	Supported

Source: Field survey, 2019

By applying a structural equation model and SEM-PLS, the relationships between variables were evaluated. The goal of all of this was to examine the ideas that had been suggested. The results are shown in the table. It may be deduced from the Table that all hypotheses were judged to be significant.

5. Conclusion

- i. The study revealed that variables such as communication, social structure, etiquette, and power distance etc. all have significant impact on international business cooperation. All predictors were very significant (sig < 0.05) in determining the level of cultural difference on business cooperation. It suggests that management, staffs, and workers of organizations should understand cultural differences
- ii. With regards to the effect of culture differences on business cooperation, the findings of this research showed that study obtained the effect size of 0.6915 implying that there is large effect of the cultural difference on business cooperation. This was further supported by results in the regression model summary which revealed that the cultural differences affected business cooperation by 96% determined by the R-squared value.
- iii. Based on the data analysis, all hypotheses were supported, and the results showed that business cooperation significantly influenced by communication ($\beta = 0.329$, $P < 0.001$), social structure ($\beta = 0.249$, $P < 0.001$), etiquette ($\beta = 0.340$, $P < 0.001$) and power distance ($\beta = 0.306$, $P < 0.001$), the issues regarding to cultural differences is a very important part in business cooperation within organizations.

Finally, the study recommended that organizations should become more conscious of the various cultures that exist inside them and should also cultivate a unique culture that distinguishes them from other companies in the same industry and ensure that everyone in the business is on board with it.

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