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## Does Understanding National Business Cultures Help Build Regional Development?

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# Does Understanding National Business Cultures Help Build Regional Development?

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**Abstract:** An EFER report in 1995 observed that little of the growth of Europe's top 500 companies came from existing products in existing markets, but almost two-thirds of the growth came from entering new markets. A large majority of Europe's 500 are active in export markets, with exports accounting for 40% of their turnover as opposed to the 10% export share for SMEs overall. One of the critical reasons for the poor performance of SMEs within the international arena is their ignorance of local business cultures. Yet for a country – or a specific region – to achieve strong economic growth, it is imperative that its indigenous firms develop a high level of export activity. This paper is based upon the work of an EU initiative with the project title "Passport to Trade" whose primary objective was to improve the existing vocational training materials in business culture for SMEs, incorporating material from across the whole EU. A needs analysis was conducted across the EU and qualitative testing in three markets. An on-line delivery method was developed which allows SMEs and their employees to access training materials remotely at their convenience thereby effectively removing one of the major obstacles to exporting.

**Keywords:** SME; Trade; International Business; EU; Culture; Entrepreneurship; On-line Support;

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## Introduction

The Oxford English Dictionary's definition of region refers to (1) an area of land having definable boundaries or characteristics (2) an administrative district (3) a separate part of the world or universe. For the purpose here, a region could then be the continent of Europe, the EU within that, a grouping of nations, such as the German speaking countries or a sub-national region such as Ireland's South East, or the Area 1 designated BMW region (Border, Midlands West). As such, the term is relative and will not in itself be the focus here.

Rather the concern here lies with the key question of the relationship between entrepreneurship and economic development. Undoubtedly, some regions, e.g. Asia, perform better than others, such as the EU in general. This paper will consider the role played by small to medium sized enterprises in economic development, and will examine the importance of exporting within that.

Since the early 1990's the phenomenon of globalisation has increasingly transformed markets and business models. In this globalising economy ever increasing importance is placed on international trade as a vehicle for company growth. However, gearing up for this activity presents major hurdles, particularly for small to medium sized companies (SMEs), given their more limited financial and personnel resources. Nowhere are these challenges more prevalent than for the culturally diverse EU trade region. The extent of this problem was evidenced by the findings of an EFER report in 1995 which observed that little of the growth of Europe's top 500 companies came from existing products in existing markets, but almost two-thirds of the growth came from entering new markets. The report found that a large majority of Europe's 500 are active in export markets, with exports accounting for 40% of their turnover, while the overall export share for SMEs was only 10%. One of the critical reasons for the poor performance of SMEs within the international arena is their fear of the unknown, specifically in relation to local business cultures.

This paper will examine the particular difficulties faced by SMEs in becoming active in export markets. The reasons for this will be outlined and the research conducted to providing a solution to overcoming some of these obstacles will be presented.

## **Background**

It is widely accepted that, within certain nations at least, the SME sector is becoming more significant in terms of wealth and employment creation. Doole and Lowe (2005) assert that this is due primarily to large companies downsizing their workforce, while increasingly outsourcing their non-core components frequently from SMEs. They point out that employment in the public sector has been decreasing in the same time period, largely due to extensive privatisation of utilities and outsourcing of public sector services to private companies. Against this backdrop, they argue that this leaves the SME sector as the only significant growing generator of wealth and employment. (Doole and Lowe, 2005).

The significance of the SME sector to economic development is therefore crucial. Yet, it has also been established that these companies are largely concentrating on local markets, which constitute a sheltered regulatory and competitive environment. In Ireland, the Department of Enterprise, Trade and Employment conducted a review of industrial policy in 2003 and noted that the majority of Irish SMEs are not active in export markets, and those that do export concentrate in the main on the neighbouring British market. The report showed that indigenous SMEs in Ireland account for only 11% of exports, but more worryingly, that the export intensity of SMEs (exports as a proportion of sales) had remained stagnant over the previous "Celtic Tiger" decade. Given that the SME sector in Ireland accounts for approximately 97% of firms, employing over 50% of the private sector workforce (Small Business Forum Report, 2006), this gives rise to some concern.

A report conducted by the Enterprise Strategy Group in 2005 highlighted this and criticised the lackluster performance of the Irish SME sector. The ESG report (2005) pointed out that indigenous companies trading internationally are increasingly competing

against companies that can produce goods at a much lower cost and who have the scale to dominate global markets. Such companies are under pressure to keep up with changing technologies, business models, markets and regulations. The challenge of international business activity is therefore, clearly daunting for SMEs. Yet the alternative is not necessarily to stay at home. The ESG (2005) report also warned that Ireland could face substantial job losses due to the high cost of labour and other inputs. This would present major obstacles to economic development in the country.

### **Barriers to Internationalisation**

The internationalisation of small business is therefore an irregular event, despite media reports to the contrary. Doole and Lowe (2005) observe that small companies in particular view the international environment as hostile and therefore ignore the possible gains from exporting and concentrate instead on their domestic markets. Barker and Kaynack (1992) identified the major perceived barriers to entry for non-exporting SMEs as:

- too much red tape
- trade barriers
- transportation difficulties
- lack of trained personnel
- lack of export incentives
- lack of coordinated assistance
- unfavourable conditions overseas
- slow payment by buyers
- lack of competitive products
- payment defaults
- language / cultural barriers

These barriers lie beneath the daunting challenge of international business, particularly for inexperienced and lesser resourced SMEs. Yet it is imperative for a country's economic growth that its indigenous firms develop a strong sense of export activity. The concept of internationalisation has been used to describe the process by "which firms adopt international business activities" [5] and also the process through which firms "gradually increase their international involvement" [6]. Lowe and Doole (1997) found that the internationalisation process of SMEs is not necessarily an incremental process, but more like a series of step changes [7]. They suggested that any number of factors could act as a catalyst to step change (such as an unexpected product success or failure), leading to a reassessment of the company's business definition and strategy. Lowe and Doole's model stresses the necessity for a coordinated strategy to change the focus and improve the performance of the firm in international markets.

Zahra and George (2002) developed an integrated model of international entrepreneurship which considered a comprehensive set of influencing factors consisting of organisational factors, strategic factors, factors of proximity or difference, outcomes, and finally, environmental factors which highlighted the importance of national culture as a foundation stone for international entrepreneurship.

## **The Importance of Culture**

The critical role of culture as a key environmental factor which underlies differences in behaviours has long been established (Steenkamp, 2001). The complexity of culture defies any simplistic definition. Hofstede refers to culture as “the collective programming of the mind, distinguishing one group or category from another” (Hofstede, 2001). The failure to take differences in national cultures into account has been the cause of many business failures (Ricks, 1993). Given the critical role of culture in international business many frameworks for developing an understanding of culture have been developed. However the work of Geert Hofstede stands out (Hofstede, 1980, 1991, 2001).

Hofstede’s cross cultural research based on IBM employees in 50 countries attempts to study and classify cultural diversity. He developed a typology of 4 - later 5 - dimensions of culture: Individual vs. Collective Orientation; Power-Distance Orientation; Uncertainty-Avoidance Orientation; Masculine-Feminine Orientation; Short-Term vs. Long-Term Orientation. Hofstede suggested that the four dimensions relate to the fundamental questions faced by every society – but to which different answers are found by different societies.

- 1) The relationship between the individual and the group
- 2) Social inequality
- 3) Social implications of gender
- 4) Dealing with uncertainty – both economic and social.

Index scores were awarded to each country for each dimension. On the basis of the combined scores the countries can be grouped in to cultural clusters. Although criticised for its European slant and the fact that all respondents were IBM employees leading to a focus on work related values, Hofstede’s model has stood the test of time and was largely confirmed in subsequent research by Hoppe in 1990.

While Hofstede’s dimensions are concerned primarily with classifying culture at the national level, Steenkamp (2001) suggests that the national level is not the only level at which culture can be defined. He distinguishes between cultural groups which he terms meta cultures (pan-regional, global), national cultures and micro cultures.

### *Meta Cultures*

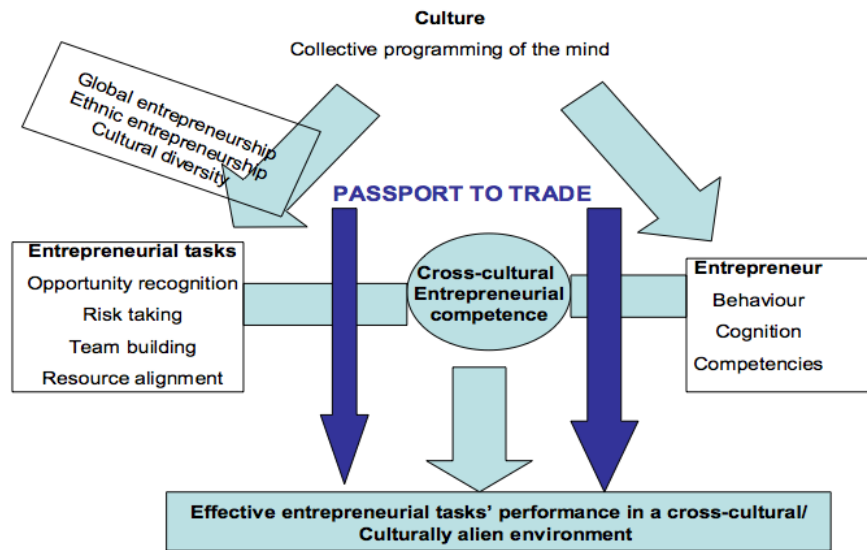
Some clusters can share a number of pan-regional cultural characteristics, whilst others are culturally quite distinct. Steenkamp (2001) refers also to the growing identification of emerging global cultures which tend to place emphasis on modernity, technology, freedom and individual choice. However these cultures are shared more between certain individuals within countries rather than between countries. Global cultures share sets of symbols such as brands, experiences like travel and attitudes such as a cosmopolitan outlook.

### *Micro Cultures*

Micro cultures are subcultures which share specific characteristics such as language, ethnicity, or social class. Micro cultures adhere to important patterns of the national culture, but also develop their own unique behavioural patterns and attitudes. Geographical regions within a country with a particular accent or way of life, such as the Bavarians in Germany, would also qualify here.

Muzychenko (2005, cited in Silver and Avramenko, 2006) developed a model of cross-cultural entrepreneurial competence which shows that entrepreneurial tasks and effectiveness are greatly influenced by culture (see Fig.1). She asks the question “what happens if one enters the culturally alien environment of a foreign country?” and puts forward five propositions:

- ‘the appropriateness and effectiveness of an entrepreneurs’ behaviour and cognitive processes will be negatively affected by a cross-cultural environment.’
- ‘a cross-cultural environment will have a direct affect on the process dimension of entrepreneurial tasks.’
- ‘entrepreneurial competences developed within the boundaries of the entrepreneur’s native cultural environment may not be sufficient for effective entrepreneurial task performance across cultures.’
- ‘the negative effect of a cross-cultural/culturally alien environment on the effectiveness of entrepreneurs’ cognitive processes and behavioural responses can be mitigated through the development of cross-cultural entrepreneurial competence’. Building on the ideas of Lusting and Koester, 1993; Ruben and Kealy, 1979; Saeed, 2004, and Dodd, 1998, Muzychenko suggests that to develop cross-cultural competence it is necessary to have: culture-general knowledge, culture-specific knowledge; knowledge about what is appropriate to do to have an effective communication outcome; personal qualities such as empathy, respect, openness; ability to perform role relationships; ability to work effectively with others and the ability to deal with different social customs. (in Silver and Avramenko, 2006)
- ‘Cross-cultural entrepreneurial competence development will have a positive effect on entrepreneurial task performance in a cross-cultural/culturally alien environment.’



Adaptation of the model of cross-cultural entrepreneurial competence. O Muzychenko (2005)

Fig 1: Adaptation of Muzychenko model for Passport to Trade by Silver & Avramenko, 2006

Muzychenko’s model clearly makes a case for the importance of cultural knowledge and understanding of other cultures for business purposes. Figure 1 above illustrates the overarching role of culture as “collective programming of the mind”. Muzychenko’s model was adapted by Silver and Avramenko (2006) to illustrate the scope and objectives of and form a framework for the Passport to Trade research initiative which is the subject of this paper.

## Summary

The theoretical review clearly showed the crucial role of culture in international business, particularly for less experienced SMEs who will not necessarily have had training in this area. The fear of unknown cultures has proven to be a major obstacle to exporting or any international business activity for SMEs. Yet whilst this has long been established, little has been undertaken to remedy this. Thus there is an opening here which has not previously been addressed: The opportunity to provide the information and knowledge required about other cultures via a suitably convenient delivery method. This paper will present research which has been conducted to this end.

## The Research Framework: Passport to Trade

Passport to Trade is the project name for an EU research initiative (reference number: UK/05/B/F/PP-162\_358) with the primary objective to provide an on-line business support for SMEs interested in developing business links with companies in other EU countries. It is funded by the Leonardo da Vinci programme which pursues three central

aims: to facilitate occupational integration, improve the quality of training and access to this training, and to boost the contribution of training to innovation (European Commission, 2007). The primary objectives of Passport to Trade are to:

- Improve existing vocational training materials in business culture incorporating material from across the whole European Union;
- Widen and ease access to vocational training materials in business culture;
- Enable SMEs to benefit by improving sales potential through market expansion
- Produce additional training materials in business culture;
- Implement e-learning facilities and support;
- Improve the skill base of SMEs wishing to trade across the 25 EU member states.

The project is concerned with addressing the particular constraints on the provision of vocational training for SMEs who, given their limited resources, cannot easily release personnel for training seminars. A free to access website with the domain [www.businessculture.org](http://www.businessculture.org) was to be developed. The on-line delivery method is considered crucial for an SME target audience as it allows them to access the materials remotely at their convenience. Users will be able to select their country of interest in a choice of three national languages (English, French and German. The research is divided into two main stages:

- Establishing the needs of SMEs interested in trading outside their borders with companies from other EU nations
- Testing the web-based solution in a multiple of EU markets for accessibility and usefulness.

The initial phase involved carrying out a needs analysis to identify the needs of SMEs either trading, or wishing to trade, across the EU trade region. This was carried out by means of a questionnaire – in English only - which was emailed to SMEs in all 25 countries (Appendix 1). Initially only 70 responses were received and the following results are based on these responses.

## **Main findings**

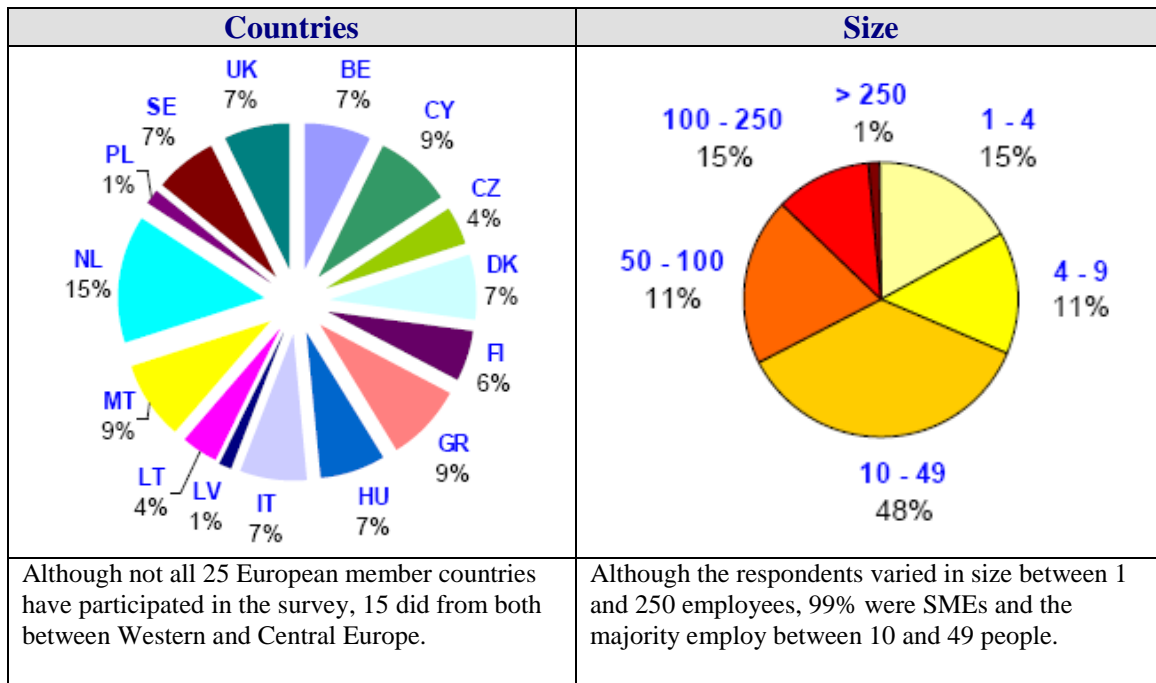
### *Stage 1: Needs Analysis*

Despite efforts made to obtain responses from all sectors, the manufacturing sector dominated with 42% of responses. In addition, only one response was received from Poland which illustrates the linguistic difficulty for Eastern European countries in responding to a questionnaire in English. Figures 2 and 3 document responses by country of origin and company size respectively.



Fig 2: Responses by country of origin

Fig 3: Responses by company size



Respondents were asked to rate the importance of various elements of knowledge about potential new markets (Appendix 2). From the analysis it is clear that “date relevant to my industry / business sector” is considered the only vital element of knowledge with 46% of respondents ranking it as vital. Perhaps not surprisingly, sections on the role / importance of family in society and religion were not considered particularly important, accounting for only 15% and 19% of combined important/vital ratings respectively. This would indicate an underestimation of cultural knowledge by SMEs, further endorsing the need for the BusinessCulture vehicle.

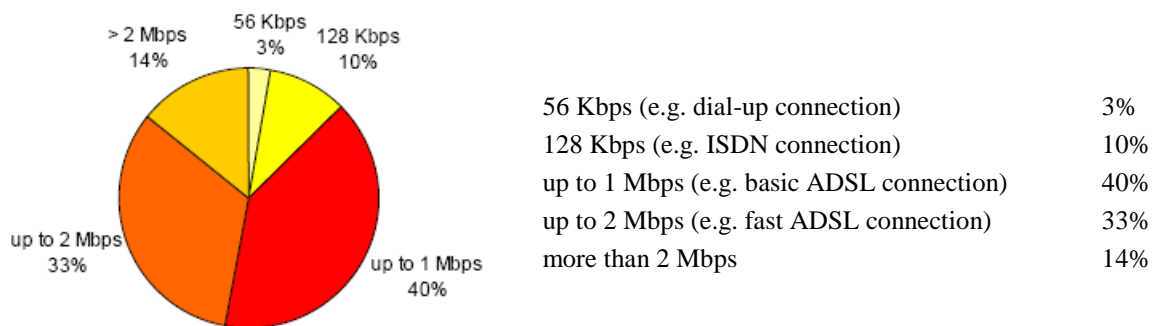
Respondents were also asked to comment on any additional cultural factors which, in their view, could impact on business relations. Taking a wider definition of “cultural factors” responses covered a variety of topics including the following:

- The degree of environmental protection;
- Communication restrictions due to language
- Variations in terms of payment
- Access to and use of internet and telephone networks
- Business restrictions on import/export
- Interpersonal communication and building of trust
- Import regulations
- Variations in marketing structures across countries
- Information on networks
- History, traditions, relations to neighbouring countries
- Use of slang, particular sense of humour.

This list endorses the findings of Barker and Kaynack (1992) and reflects the legitimate and practical concerns of SMEs embarking on international business relations [3]. International business is venturing into the unknown for inexperienced companies and the comprehensive response to this section indicates that cultural factors underlie many of the fears associated with internationalisation.

When asked which speed of internet connection they use, 40% of respondents answered up to 1 Mbps, and a further 33% up to 2 Mbps. (see Fig. 4)

**Fig 4: Respondents' internet connection capability**



These findings indicate that the majority of SMEs are quite capable of accessing the learning materials on-line, thereby benefiting from the convenience and flexibility of this delivery mechanism. Over 68% of responses stated they were happy with the website as a means of delivery. However 38% requested some other form of support such as CD Rom or PDF documents.

The delivery method used will not only allow SMEs and their employees to access training materials remotely at their convenience, but also enable on-line support by e-mail. While on-line delivery remains the prime vehicle here, in countries where broadband/internet access is slow or not readily available, CD Roms will also be made available.

Respondents were asked to comment on any factors they considered important for a successful business relationship. The overall response rate was low here, reflecting the fact that answers had to be original and therefore this section was more demanding in terms of time and linguistic capability. Many responses were (understandably) subjective as can be illustrated with the example of Germany: While one respondent positively rated Germany as “Reliable; good attitude towards time and structure; formal; good business ethics”, another respondent felt Germany was “ Too protectionist; lack of trust”. These issues were further examined at the testing stage of the Passport to Trade website.

### *Stage 2: Testing*

The project later addressed, through qualitative research, the accessibility and usefulness of the new website. Three groups of potential users were tested in the Czech Republic and the UK: SMEs, business support companies and third level business academics / students. In addition, further testing was conducted among a group of expert users in Italy. Testing was only possible on the English language version of the site so that the Czech companies and Italian experts had to be competent in English. A recent workshop was also held with an expert group at the ICSB World Conference in Turku, Finland. Participants were asked to perform tasks such as locating specific points of information. This was timed and the ease or difficulty of navigation monitored. They were also given the opportunity to comment on their experience. In the main feedback has been extremely positive both in relation to content and navigability. Participants were particularly impressed with the function to change from one country to another within the same subject area, e.g “gift giving”. In the Czech Republic linguistic difficulties were highlighted, indicating a need for further translation of country material on the site into other languages at a later time.

### **Limitations of this Research**

The actual number of responses to the needs analysis is low at 70, and can therefore not be viewed as representative of all EU SMEs. Despite unfailing attempts to include SMEs from all 25 EU countries in this initial phase of the research responses were initially only received from 15 countries (although three further countries later responded) In the case of Austria for example this was primarily due to stringent data protection legislation which makes it extremely difficult to gain access to company databases.

The fact that the questionnaire was only available in English was undoubtedly a factor in low or non-response rates. In Poland for example, only one response was achieved. This may also prove to be an issue for the final product, given that it is planned to deliver the information in three languages only.

### **The Final Product**

The website will be launched under the brand “Business Culture” and will be available at [www.businessculture.org](http://www.businessculture.org). Testing is now complete and the material is in the process of being translated into French and German. The site is due to go live by the end of 2007.

### **Conclusion**

Europe’s small to medium sized enterprises are underperforming in terms of their export intensity, yet the importance of indigenous SMEs to the development of local economies in terms of wealth and employment creation is immense. One of the major reasons identified for the reluctance of SMEs to become internationally active is the legitimate fear of a possibly hostile, culturally alien environment. The BusinessCulture website represents an opportunity for SME owner managers to overcome this hurdle and familiarise themselves with the local business cultures of foreign markets. Policy makers

can experience the concerns and barriers experienced by SMEs on an everyday basis and inform themselves for the formulation of policy initiatives.

Despite the limitations listed above, the results of the needs analysis and qualitative testing are encouraging and indicate that the Passport to Trade “Business Culture” product is a useful initiative that supports business development on an international basis. The convenient on-line delivery mechanism should ensure that practitioners in SMEs with limited resources all across the EU can access learning materials which will assist them in developing business relationships in other EU countries.

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## Appendix 1: Questionnaire

# Passport to Trade survey

## Introduction

You have been selected to participate in an exclusive survey being conducted by an international team led by the University of Salford (UK), financially supported by the European Commission under the Leonardo da Vinci programme.

Small and Medium sized Enterprises (SMEs, companies with less than 250 employees) account for over 90% of businesses in the European Union (EU). The EU has set itself the vision of becoming the most competitive economic region in the world by 2010, but recognises that, in order to reach this goal, it is necessary to stimulate the development of Europe's SMEs.

The aim of this project is to set up an on-line information service, focussing on cultural differences, in order to assist SMEs in their dealings with other European markets. The first phase of the project has been completed, covering four countries, and is now on-line at [www.ember.eu.com](http://www.ember.eu.com). The second phase will extend the information to cover all 25 countries in the European Union.

This questionnaire seeks to identify difficulties and barriers to international business relationships, which can often be intangible.

The questionnaire is aimed at SMEs:

- that are developing, (or are planning to develop) business in another European country (exporting), or
- that are developing, (or are planning to develop) business with a foreign SME in their domestic market (importing).

Your response will enable us to focus on elements of cultural knowledge that are the most beneficial to SMEs.

**NB. Information provided for this survey will be treated with strict confidentiality and will not be used for any other purposes.**

## Section I – Identifying details about a company

---

### 1. Name of the company:

### 2. Full address (Optional):

- Street
- City/Town
- Postal Code
- Region
- Country

### 3. Number of employees:

- |                                  |                                    |
|----------------------------------|------------------------------------|
| <input type="checkbox"/> 1 – 4   | <input type="checkbox"/> 50 – 100  |
| <input type="checkbox"/> 4 – 9   | <input type="checkbox"/> 100 – 250 |
| <input type="checkbox"/> 10 – 49 | <input type="checkbox"/> > 250     |

### 4. Sector of main activity of the company

(These sectors refer to the NACE codes,

[http://europa.eu.int/comm/environment/emas/pdf/general/nacecodes\\_en.pdf](http://europa.eu.int/comm/environment/emas/pdf/general/nacecodes_en.pdf))

*please, choose only one:*

- |   |  |
|---|--|
| <input type="checkbox"/> Agriculture, hunting and forestry    | <input type="checkbox"/> Real estate, renting and business activities (including ICT and research) |
| <input type="checkbox"/> Fishing                              | <input type="checkbox"/> Public administration and defence; compulsory social security             |
| <input type="checkbox"/> Mining and quarrying                 | <input type="checkbox"/> Education   |
| <input type="checkbox"/> Manufacturing                        | <input type="checkbox"/> Health and social work  |
| <input type="checkbox"/> Electricity, gas and water supply    | <input type="checkbox"/> Other community, social and personal service activities                   |
| <input type="checkbox"/> Construction                         | <input type="checkbox"/> Private households with employed persons                                  |
| <input type="checkbox"/> Wholesale and retail trade           | <input type="checkbox"/> Extra-territorial organizations and bodies                                |
| <input type="checkbox"/> Hotels and restaurants               |  |
| <input type="checkbox"/> Transport, storage and communication |  |
| <input type="checkbox"/> Financial intermediation             |  |

### 5. Do you have experience of trading with other EU countries?

- Yes  No

If 'Yes', with which countries?

### 6. Do you have experience in trading with countries outside EU?

- Yes  No

If 'Yes', please list the countries.

## Section II: Elements of knowledge

1. In the table below, you will find a list of elements of knowledge about a country.

Please indicate their degree of importance in helping you to increase your export potential in Europe.

Needs Analysis (1) Elements of knowledge about a country	Level of importance			
	Not necessary	Useful	Important	Vital
· Economic and statistical data on the country	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Data relevant to my industry/business sector	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Travel, visa, public transport/rail timetables	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Import regulations / restrictions (e.g. gifts and samples)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Personal safety issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Medical care / insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Not necessary	Useful	Important	Vital
· Social organisation / social status	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Role/importance of family in society	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Aesthetics (meanings of colour, shape, design etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Values / attitudes (ethics, bribery, corruption etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Public Holidays	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Religion (number, importance, role in society)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Gender differentiation (level of equality, job differentiation, role of women in the society)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Communication (language and non-verbal)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Government (local/central & role in society)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Education (attitudes / standards)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Food & drink	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



<b>Needs Analysis (2)</b>	<b>Level of importance</b>			
	<b>Variations in habits from one country to another with regard to :</b>	<b>Not necessary</b>	<b>Useful</b>	<b>Important</b>
· Meetings and forms of greeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Setting up business meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Conducting meetings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Negotiation skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Business ethics / working practices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Eating out / business lunch & dinner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Business etiquette	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Not necessary</b>	<b>Useful</b>	<b>Important</b>	<b>Vital</b>
· Political environment (dealing with local/national authorities)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Legal environment (regulations/legislation)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Market entry considerations and restrictions/requirements (e.g. export, foreign direct investment, joint venture etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Personnel (employment legislation etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Financial concerns (repatriation of profits, currency exchange rates, banks)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
· Fiscal regulations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 2. Can you think of any additional cultural factors that impact on business relations?

Please list them here:

## 3. Website

What is your overall opinion on the current website – [www.ember.eu.com](http://www.ember.eu.com) – with regard to

Look and content

Navigation and user-friendliness

What suggestions would you have for improving it?

The next version of the website will be available in three languages – English, French and German. Do you understand one or more of these languages sufficiently well to be able to use the site?

English       Yes  No

French         Yes  No

German        Yes  No

What is the speed of the internet connection that you use?

- 56 Kbps (e.g. dial-up connection)
- 128 Kbps (e.g. ISDN connection)
- up to 1 Mbps (e.g. basic ADSL connection)
- up to 2 Mbps (e.g. fast ADSL connection)
- more than 2 Mbps

#### 4. Format

This project proposes to have the information available on a website. Is there any other format in which you would prefer to have access to the information?

Yes  No

If 'Yes', please tick one of the following:

CD ROM

Booklets

Other electronic support (PDF,...)

Others

### Section III : Factors for a successful Business Relationship

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If you traded in other markets,

and had a successful business relationship, please indicate:

- The country of your business partner?
- The factors of success of the relationship

Country	Factors of success

and had an unsuccessful business relationship, please indicate:

- The country of your business partner?
- The factors of failure of the relationship (e.g. language problem, disagreement, lack of trust, incompatibility, etc.)

Country	Factors of failure

Thank you very much for completing this questionnaire. If you have provided contact data in Section 1, we will keep you informed of the progress on this project. In addition, if you would like further information, please visit our website on [www.ember.eu.com](http://www.ember.eu.com).

Please return your answer to:

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 Dublin Institute of Technology  
 Faculty of Business  
 Aungiet St Campus  
 Dublin 2  
 Ireland

[Amanda.ratcliffe@dit.ie](mailto:Amanda.ratcliffe@dit.ie)

Tel: + 353 1 4027045

Appendix 2: Findings for “Elements of Knowledge” Section

	Not necessary	Useful	Important	Vital
<b>· Economic and statistical data on the country</b>	17	<b>37</b>	31	14
· Data relevant to my industry/business sector	3	13	38	<b>46</b>
· Travel, visa, public transport	22	<b>44</b>	24	10
· Import regulations / restrictions (e.g. gifts and samples)	7	<b>33</b>	<b>33</b>	27
· Personal safety issues	23	<b>42</b>	20	14
· Medical care / insurance	36	<b>39</b>	21	4
<b>· Social organisation / social status</b>	21	<b>51</b>	23	4
· Role/importance of family in society	41	<b>43</b>	14	1
· Aesthetics (meanings of colour, shape, design etc.)	30	<b>43</b>	20	7
· Values / attitudes (ethics, bribery, corruption etc.)	10	35	<b>45</b>	10
· Public Holidays	28	<b>39</b>	26	7
Religion (number, importance, role in society)	39	42	16	3
Gender differentiation (equality, job differentiation, women’s role)	31	<b>41</b>	24	3
· Communication (language and non-verbal)	6	16	<b>59</b>	19
· Government (local/central & role in society)	13	<b>46</b>	28	13
· Education (attitudes / standards)	18	<b>44</b>	29	9
· Food & drink	32	<b>46</b>	15	7
<b>Meetings and forms of greeting</b>	3	29	<b>50</b>	19
· Setting up meetings	1	19	<b>56</b>	24
· Conducting meetings	3	30	<b>48</b>	18
Negotiation skills		10	<b>46</b>	44
· Business ethics / work practise		19	<b>43</b>	39
Eating out / business lunch & dinner	10	<b>49</b>	31	10
· Business etiquette	3	29	<b>44</b>	24
<b>· Political environment (dealing with local/national authorities)</b>	9	<b>44</b>	30	17
· Legal environment	3	22	<b>47</b>	28
· Market entry considerations and restrictions/requirements	3	14	<b>43</b>	39
· Personnel (hiring and firing)	13	<b>44</b>	22	21
Financial concerns (profit repatriation, currency)	8	20	<b>44</b>	29

