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Wa and Trust Building Sustainable Business Relationships in Japan **5**

By Jeff Slattery and Corné J. Bekker

The significant cultural, relational and business practice dichotomies of the U.S. and Japan require that American firms and international business managers possess the necessary cultural competence and acumen to effectively interact and conduct business transactions with the Japanese. The following article describes the primary cultural, relational and business practices that distinguish the Japanese from their U.S. bases counterparts. The Japanese religious Shinto concepts associated with the relational and harmonious principle of *Wa* serve as a foundation for the dialogue. In addition, the discussion incorporates the concepts of trust from Japanese and Christian perspectives as a means to forming a bridge that advances the level of cultural competence and mutually beneficial social and business relationships.

How Gender Values and Culture Shape Business in China **12**

By Karen H. Tangen

A professor of business and economics is given a unique opportunity to survey university students in mainland China. The results of this research provide new understanding of the role gender values play in Chinese culture. The survey reveals essential information for those interested in developing successful business relationships and marketing strategies in China.

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Role ambiguity results when there is a lack of clarity by individuals about the expectations of his or her role by the organization and colleagues. Role ambiguity is most common in new positions or in positions undergoing change, such as that of new expatriates. Role ambiguity is shown to have a direct effect. Reduced role ambiguity has been shown to have a strong positive impact on cultural adjustment. More importantly, reduced role ambiguity has been shown positively impact job performance. This article makes that case that MNCs should seek to create greater role clarity at each step of the expatriate assignment cycle.

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U.S. goods, services and agriculture exports hit an all time record in 2007 totaling \$1.646 trillion and comprising 11.9% of the GDP in nominal terms. U.S. real exports grew 37.3% from 2003-2007 and in 2007 exports accounted for 41.4% of real GDP growth. U.S. exports outpaced imports but despite these astonishing figures, still less than 1% of U.S. firms export. In addition, small-to-medium-sized-enterprises (SME's) tend to struggle with limited resources, knowledge, and experience when it comes to trade leads, exporting and international trade finance. In order to aid SME's in expanding abroad, this brief overview provides essential knowledge and resources for SMEs preparing to begin the process of obtaining trade leads, exporting and specifically international trade finance.



WA AND TRUST: BUILDING SUSTAINABLE BUSINESS RELATIONSHIPS IN JAPAN

BY JEFF SLATTERY AND CORNÉ BEKKER



The significant cultural, relational and business practice distinctions of the U.S. and Japan are well noted within academic research (Fatehi, 2008; Griffith, Myers, & Harvey, 2006). In addition, business managers typically utilize a “self-referencing criterion” (Ball, McCullough, Geringer, & McNett, 2008, p. 25) in their business dealings with foreign businesses and in conjunction with the hindering issues associated with the “liability of foreignness” (Shenkar & Luo, 2008, p. 61) often evident in cross-cultural communication; it becomes of paramount importance for leaders to obtain accurate and practical knowledge of cross-cultural preferences and customs in business. This article describes some of the primary cultural, relational and business dimensions that differentiate U.S. and Japanese preferences in business. Special emphasis is placed on the relational and harmonious Shinto principle of Wa because of the prominence that this religious concept holds in Japanese culture, society and business. Building on the distinctives of Wa, the concepts of trust and commitment are explored from both a Japanese Shinto and Christian perspectives in an effort to construct a bridge that can foster mutually beneficial cultural, social and business relationships. It is becoming increasingly clear that business leaders with global competencies

will have the advantage in growing economically challenged times.

The large cultural differences between U.S. and Japanese organizations can easily deter occidental business leaders from pursuing long-lasting relationships. Fatehi (2008) categorizes Japan as a high-context and the U.S. as a low-context culture. Societies that require additional contextual information in order for outsiders to accurately interpret the social environment are classified as complex cultures. The majority of the communication and meaning in high-context cultures (i.e. Japan) flows through physical and/or behavioral displays and thus low-context cultures (i.e. U.S.) requires internal or specific cultural knowledge to accurately decode the meaning and intent of most of the communication in these high-context cultures. In contrast high-context (i.e. Japan) cultures dealing with low-context cultures (i.e. U.S.) require minimal culture specific or internalized knowledge to understand due to the direct and explicit verbal expression of communication often found in low-context cultures. Foreigners in low-context cultures primarily only need to know and understand the language of the culture to accurately assess and interpret the meaning and intent of communication.

But it is important to note. That the culture and potential for misunderstandings in the low-context countries still remains due to the prominence of non-verbal communication but outsiders are not at such a significant disadvantage as foreigners in a high-context culture.

Cultural Differences between the U.S. and Japan

Preferences in Communication

Table one, displays the significant contrast of the primary characteristics of information and communications exchanges of high and low-context cultures. The characteristics listed in table one do not comprehensively describe all of the communications attributes but provides an accurate depiction of the difficulties that commonly arise in social and business interactions (Fatehi, 2008). These characteristics provide a base for building effective cross-cultural communication for both U.S. and Japanese organizations.

Preferences in Relationships

Similarly, table two describes the contrast of the low and high-context cultures in terms of preferences in interpersonal and relational interactions. The stark contrast highlights the myriad of issues that often arise and compli-

Table 1: Information Attributes of High-and-Low Cultures (Fatehi, 2008, p. 133)

High-Context Cultures	Low-Context Cultures
Through physical context	Through content of message
Internalized by people	Not eternalized by people
Hidden under the surface	Explicit in the message itself
Difficult to interpret by outsiders	Easy to interpret by outsiders
Indirect expression of motives/emotions	Direct expression of motives/emotions
Implicit rules	Explicit rules
Adherences to rules is enforced	Adherences to rules not enforced
Warm-up period needed for exchanges	Information exchange is immediate

cate or deter the establishment of trust and commitment in organizational interaction, and thus negatively impacting the potential for prosperous and long-term social and business relationships. A lack of cultural competence and cross-cultural understanding in business leaders often leads to failed or frustrating interactions (Fatehi, 2008). Kumar (1999) postulates that in these strained business interactions “goal conflict creates negative emotions...” which in turn produce “behavioral incompatibility and/or constricting information processing...” and finally results in the relationship being adversely and negatively influenced (p. 68). In addition, Goodman (2000) confirms that emotional bonds serve an important function in Japanese culture due primarily to their long-term orientation and focus on personal relationships and the process of *nemawashi*, or “getting to know” someone (p. 7). Thus Japanese place business contracts and deals a distant second to personal friendship and relationship. The U.S based business professional must invest the time and energy to honestly and authentically build a relationship with their Japanese counterparts if they desire any level of sustainable effectiveness. The process of *nemawashi* in Japanese business relationships establishes rapport leading to trust and commitment for both parties (Hawrysh & Zaichkowsky, 1990).

Table 3: Priority of Cultural Values (Luthans & Doh, 2009, p.97)

United States of America	Japan
Freedom Independence Self-reliance Equality Individualism Competition Efficiency Time Directness Openness	Belonging Group Harmony Collectiveness Age/Seniority Group consensus Cooperation Quality Patience Indirectness Hospitality

Preferences in Cultural Values

The final point of distinction relates to the broad cultural dimensions develop by Hofstede (2001). Griffith, Myers, & Harvey (2006) utilize five cultural dimensions distilled by Hofstede to illustrate the vast differences between the U.S. and Japan by stating that Japan represents a “collectivist, large-power-distance, strong-uncertainty-avoidance, masculine, and long-term-oriented culture, and the United States is representative of an individualistic, small-power-distance, weak-uncertainty-avoidant, feminine, and short-term-oriented culture” (p. 6). The U.S. and Japan differ to varying degrees on all five of Hofstede’s cultural dimensions. In addition, table 3 aids in clarifying these substantial cultural variances. The dissimilarities remain and present noteworthy obstacles that can be diminished significantly when business leaders are willing to learn, understand and use culturally competent communications and business practices (Luthans & Doh, 2009).

Homogeneity Preferences in Japan

Prior to delving into the concept and principles associated with Wa a definition of cultures or in this case national culture seems appropriate. An exact, all encompassing and sanctioned definition of culture remains illusive but the following definition might provide a foundation for further exploration. National culture encompasses a “homogeneity of characteristics that separates one human group from another; provides a society’s characteristic profile with respect to norms, values and institutions; and affords an understanding of how societies manage exchanges (Griffith, Myers, & Harvey, 2006, p. 5). The tendency to over-generalize a culture constitutes and area of concern for all cultures, but it does seem that Japanese culture possesses a unique and national feature; homogeneity. Japan’s centuries old traditions, isolationist stance up until the 1860, and limited living space has created a culture with a homogeneity rate of 99.4% (Kameda, 2001). The level of homogeneity, connectedness and togetherness clearly distinguishes Japan from many other cultures, particularly the Unites States. This level of homogeneity has facilitated the dissemination of cultural values, norms, concept and principles in Japan. The Shin-to concept of Wa stands as one of the primary cultural distinctions of Japanese culture. The religious traditions and impact of Confucianism and Buddhism in Japanese culture are relatively well known but most occidental visitors do not always realize that the native religion of Shintoism is considered the

Table 2: Relational Characteristics of High-and-Low Context Cultures (Fatehi, 2008, p. 133)

High-Context Cultures	Low-Context Cultures
Difficult to form friendships Long-lasting/permanent High obligation High duration Trust must be earned Long-lasting cultural norms Involved in others lives Appear to be very polite High cultural protocol Adherences to cultural protocol	Easy to form friendships Temporary, transient, and casual Low obligation Low duration People are trusted until proven wrong Cultural norms change over time Privacy is valued Politeness is not apparent Low cultural protocol Tolerate deviations from cultural norms

major religious influence in Japan. Maher & Wong (1994) state that Shintoism “is omnipresent in contemporary society...” and the “essentials of Shinto have been secularized and have become an integral part of the Japanese character...” (p. 42). Maher & Wong continue and state that in Japan “there is a fusion of the individual, the family, the nation, and business, the private world and the business world are made of the same stuff” (p. 42).

Building Sustainable Business Relationships

The Shinto Concept of Wa

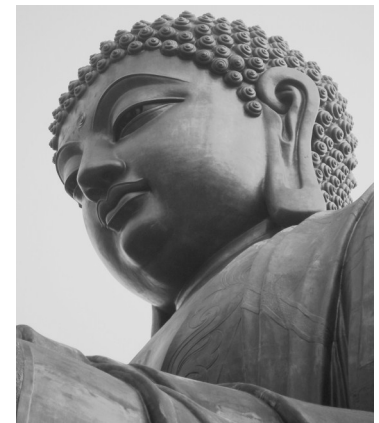
The Shinto concept of Wa means harmony, peace, unity and reconciliation (Maher & Wong, 1994; Parry, 2006; Liu, 2008). Maher & Wong (1994) connect the concept of Wa to the Shinto religion and proposes that this religious concept “dominates” in a “secularized” manner and acts as a “way of life that permeates the Japanese societal structure at all levels....and is omnipresent in contemporary society” (p. 41). Parry (2006) continues the emphasis by stating that “in Japan, harmony, or wa is an end itself...” and that “harmony is the highest goal of human...” and “business behavior” (p. 107). This is in contrast with the common U.S. business goal of maintaining or seeking harmony only as a means to an end, a lucrative business contract. The Japanese vehemently avoid any disruption of Wa, and view others actions that fail to maintain Wa as offensive, severely limiting the establishment of trust and commitment in these possible relationships (Isomae, 2005).

The Japanese maintain Wa through all social interactions, the concepts and interactions associated with the cultural attitudes and norms of jōge, on, haji, tatemae, and honne form the bases of Japanese culture, society and of ningen kankei, or relationships (Cooney, 1989). Jōge refers to the highly subordinate role of the inferior to the superior. The Japanese “do not regard themselves as a society of

equal...each person has a unique place within a hierarchical system (Maher & Wong, 1994, p. 44). For instance, the practice of meishi, or the exchange of business cards serves as a way to establish rank or hierarchy and the resulting proper social interactions. The most senior Japanese person sits in the middle of the table facing the door. The Japanese strictly follow the cultural traditions and practices in order to maintain social structure and harmony but the collectivist nature endures. Often outsiders are unable to identify a senior executive in a room due to the Japanese principles of omoiyari, “care of membership” and gamen, “self-restraint, humility and modesty (Li & Putterill, 2007, p. 152). The Japanese highly prefer a sense of belonging, safety and stability these attributes are instilled in the Japanese from childhood and carry through into every aspect of life (Giacomino, Akers, & Fujita, 2001).

On refers to the overwhelming sense of obligation from receiving a benefit, gift or advantage of any kind or degree. Benefits derive from relationship and thus the Japanese enter into relationships with caution and suspicion with outsiders due to the sense of obligation and requirement to repay the benefit. Relationships, once formed are not easily relinquished in Japanese society. The recipient must repay the debt or reciprocate failure to comply with the cultural imperative brings haji or shame. The sense of obligation in extreme forms leads to *suppuku* or self-immolation as a means to repay the debt. On and haji relate to the Japanese hesitation to formally commit to lengthy written contracts and rely on legal injunctions. In addition, the Japanese are distrustful and suspicious of codified laws and formal contracts ability to regulate society and relational exchanges which typically only result in or lead to confrontation severely diminishing Wa. The Japanese prefer to place their trust in people and to rely on the heart of the individuals to guide, and form

the foundation for their relationships and exchanges. The Japanese view formal contract as to rigid and inflexible to account for the multitude of issues that arise in relationships and business transactions (Parry, 2006; Maher & Wong, 1994). In place of



formal contact and laws the Japanese instill mutual trust and commitment as the foundational structure. Interestingly enough, once an outsider gains the trust of their Japanese counterpart they are accepted as an “in-group member and thus expected to abide by the group norms” (Griffith, Myers, & Harvey, 2006, p. 7). Trusting relation-

ships bring intimacy, friendship, long-term commitment and the fulfillment of On (cultural obligation). Where Americans base trust on consistent and congruent prior behaviors that produce predictive future behaviors, the Japanese view the environment as more flexible and with uncertainty, unexpected events may require new actions or at least inconsistent actions with prior behaviors. In essence, the Japanese are able to maintain trustworthiness and commitment to the relationships even in the face of ambivalence, contradiction and seemingly inconsistent behaviors, again as a means of upholding and promoting Wa (Griffith, Myers, & Harvey, 2006). The Shinto concept and principles of *tatemaie*, “truthfulness” or “face saving” acts and *honne* “true mind or motives”

Moku-Toku “The virtue of silence”

are connected in that, the Japanese place the primary emphasis on maintaining harmony and thus limit the verbal expression of clear and direct truthfulness and motives (Hawrysh & Zaichkowsky, 1990; Maher & Wong, 1994). The Japanese, being consistent with the definition of a high-context culture expect tacit understanding. For example, the Japanese expect to obtain *a-un no kokyuu* or mutual understanding simply through the acts of *a-un*, exhalation or inhalation. The Japanese place a very low status on verbal communication and expect *sasshi*, the other person to intuitively know what they are thinking (Goodman, 2000). In fact there are sixteen ways to avoid saying no in Japanese, all with the aim of promoting Wa. The often used Eastern proverb, “keep your mouth closed and your eyes open” depicts for the Japanese the interdependence of both parties in

the relationship (Kameda, 2001, p. 145). The Japanese expect and are comfortable with silence and highly appreciate *moku-toku*, “the virtue of silence” (Li & Putterill, 2007, p. 150). In addition to the emphasis on silence, the expression of emotional and especially strong or aggressive emotions such as anger or frustration are considered “major character flaws” and corresponds with the proverb *tanki wa sonki*, “a short temper means a lost spirit” (Hawrysh & Zaichkowsky, 1990, p. 49). The Japanese decision making process, *ringi* aids in supporting this principle. Decisions are made exclusively through consensus, proposals are passed up and down the hierarchical system, once each member agrees to the proposal it receives a ban or stamp of approval. This process eliminates the necessity of member to directly reject or defend a proposal in public, to do so would destroy the sense of Wa. Business meetings in Japan are not a time to negotiate deals and argue for concessions, for the Japanese meetings are simply a time for the *ka* or work groups to connect and share in the announcement of the consensual decision reached through the *ringi*. Americans experience great difficulty with the Japanese decision making process due to the amount of time it takes but following the ban decision are acted up precisely and swiftly. Americans simply need to understand the cultural practice and respond accordingly to receive the significant benefits of the Japanese decision making process (Cooney, 1989).

Christian Perspectives on Trust

Religious as well as cultural belief and faith can be associated with the ability to trust (Neyrinck & Hustebaut, 2004). Trust, as the primal ground of all religious belief (Rümke, 1949), guides the social and cultural development of individuals (Erikson, 1965) that facilitates the ability to work and live in cooperation and harmony with others (Erikson, 1968). Trust as the central activating power of belief creates not only the possibility for receptivity to the

Sacred (God, the Divine, etc.) but also a determined openness to others (Ganzevoort, 2004). Even though the doctrinal beliefs and practices of Shintoism and Christianity (as one of the major philosophical and religious influences of the U.S.) are radically different, they both share a value preference for trust (Isomae, 2005). Trust is central to Christianity, theology and has been described as the “social logic of the Gospel” (Robra, 2004, p. 11) and as a predictor of effective organizations (Lee, 2004.).

Von Sinner (2005) in developing a Christian hermeneutic of trust proposes five distinct descriptions of relational trust distilled from an exegetical reading of the four canonical Gospels in the Christian New Testament and embodied in the sacrificial life and death of Jesus of Nazareth: (a) trust always implies a risk, (b) trust is a prior investment made unilaterally without certainty about the reaction or result, (c) trust is the categorical imperative in an ethical approach to life, (d) trust is a gift and freely given, and finally (e) trust must be developed in conjunction with a continued willingness to learn from others. Von Sinner's five-fold description of trust can be used as a philosophical foundation for business leaders informed by a Christian worldview and philosophy in the quest to build effective organizational relationships with their Japanese counterparts.

Wa and Trust: Building Bridges of Mutual Effectiveness

U.S. business leaders informed by the Japanese cultural and religious preference of Wa can utilize the Christian philosophical ideal of radical trust to forge a relational stance of mutuality and cooperation in their dealings with Japanese organizations:

1. U.S. business leaders should take the risk of trusting their Japanese counterpart's preferences for harmony, peace and unity. These leaders invest trust, when honoring their for-

eign partners by conforming to cultural norms different to their own, and can expect with a certain amount of probability that their efforts will not only be appreciated but also reciprocated.

2. U.S. business leaders should make the prior investment of advancing trust in their dealings with Japanese leaders, which in turn will impose a moral obligation on the counterparts to honor it.

3. U.S. business leaders can employ the widely known and accepted principle of the “golden rule”, distilled from the Biblical imperative, “...do to others what you would have them do to you...” (Matthew 7:12, NIV), in building strong relationships with Japanese leaders who in turn will repay the kindness in an effort to maintain harmony and balanced reciprocity (the Shinto concept of On).

4. U.S. business leaders can freely adopt the Japanese cultural value of trusting others until proven wrong knowing that this value, although recently neglected in the West, is central to their theological and philosophical heritage.

5. U.S. business leaders can promote the establishment and maintenance of Wa in their dealings with Japanese organizations by cultivating an organizational culture of ongoing cultural education and sensitivity.

Business is increasingly done within in a global context. American business leaders can use the principles of Wa and the ethical ideals of Christian theological reflections of trust to build strong, enduring and transformative relationships that contribute to the ongoing mutual quest for peace and prosperity.

ABOUT THE AUTHORS

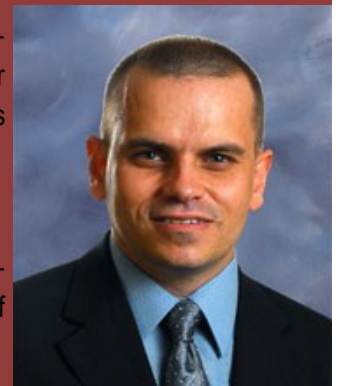


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Mr. Slattery came to Regent University due to the University's mission, vision and purpose statements and how the administration, faculty, staff and students live out the values and purpose of the University on a daily basis. He particularly supports and enjoys the integration of Biblical theology and principles through the course material and interactions. Being a part of training the next generation of business leaders provides inspiration and hope.

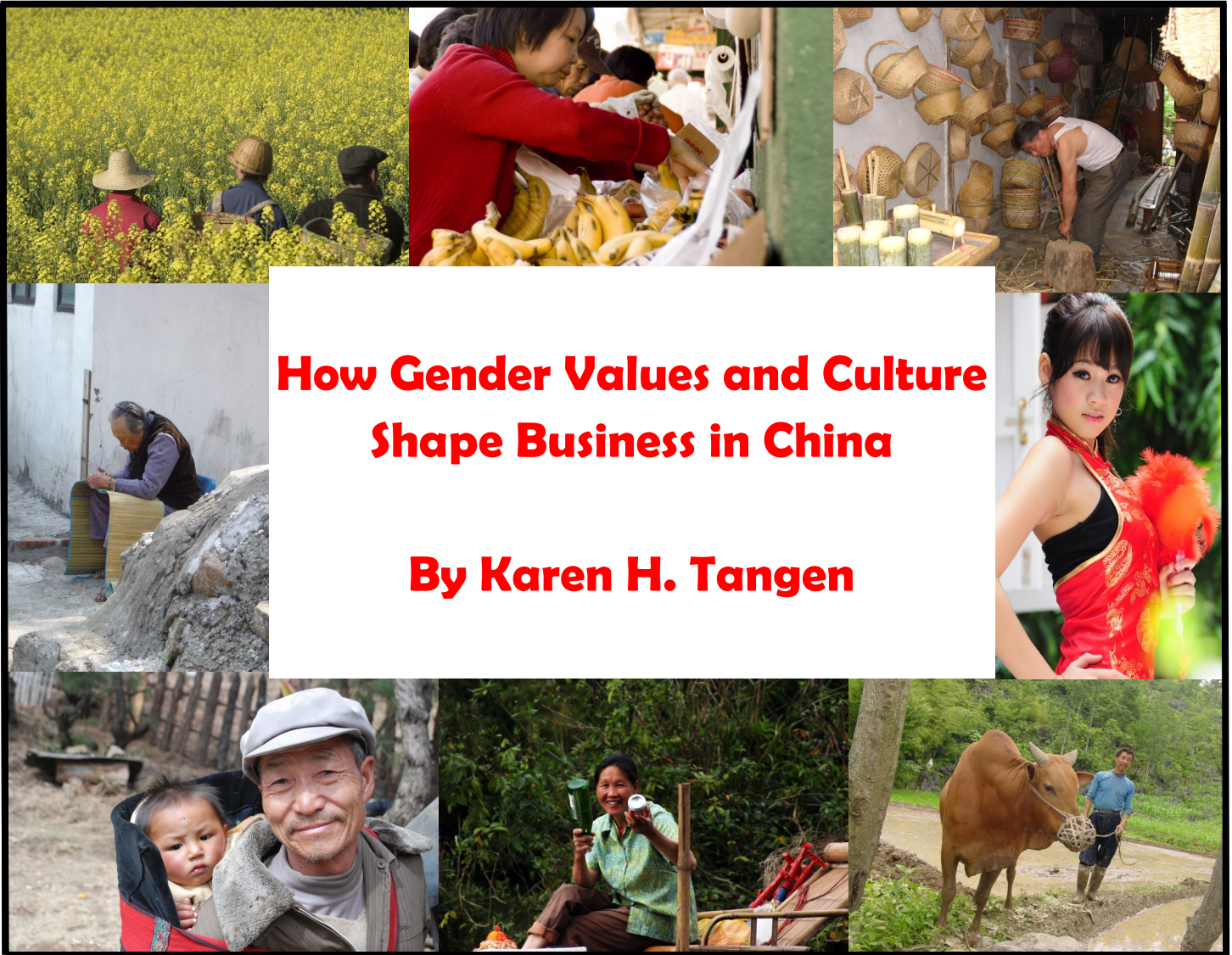
Dr. Corné Bekker is an associate professor for the School of Global Leadership & Entrepreneurship at Regent University. He teaches in the doctoral programs and is actively involved in research on the use of Biblical hermeneutics and spirituality to explore leadership. He is the editor of the Journal of Biblical Perspectives in Leadership (JBPL) and the co-editor of Inner Resources for Leaders (IRL).

Dr. Bekker is an ordained minister and has traveled to Africa, Europe, the East and North America to present at churches, ministries, seminars and academic conferences on the subject of Christian spirituality and leadership formation.



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How Gender Values and Culture Shape Business in China

By Karen H. Tangen

When making a group presentation, promoting a project, or sharing the salvation message, good communicators understand that knowing one's audience is critical.

In the business world, the impact of cultural values on relationships is significant, particularly when marketing products and services in China. Gender values are changing, especially within that country's emerging educated generation of leaders and consumers.

The implications of these changes within Chinese culture are profound. In the book *Contemporary leadership and intercultural competence: Exploring the cross-cultural dynamics within organizations*, M.A. Moodian declares, "In the 21st century, leadership success may

be unattainable without intercultural competence." Culture provides the complex cognitive and affective frameworks that organizations rely upon to support their behavioral systems. It is incumbent upon global businesses to understand these cultural changes when creating the business plans for its international operations."¹

This is particularly important as developed markets become saturated and Western multinationals look toward emerging markets as a source of economic growth. The *Economist* reported in April 2010 that the emerging markets of India and China alone are expected to comprise at least 40 percent of the world's growth.²

A "Supersized" Nation

Americans like supersizes, and China

hits the mark. It is a country that "outsizes" the United State's population by four times—1.3 billion—one-fifth of the world's population. Of China's 1.3 billion citizens, 72 percent are between the ages of 16 and 64. In the past, missionaries viewed China as a billion souls to save, whereas marketers viewed it as a billion shoes or cars to sell. But because China was poor, it was never realized. That is rapidly changing.

China has grown about 9 percent a year for more than 25 years—the fastest growth rate for a major economy in recorded history. During this time, the Chinese economy had taken 300 million people out of poverty levels and quadrupled the average Chinese worker's income.³

We share the world with a Chinese population of 1.3 billion people, and need to understand this country. Global companies that are aware of personal and cultural boundaries and use that knowledge to work with individuals, firms, and authorities have successfully sustained their presence in China.

In the business world, what could be more important than getting along with buyers and sellers? Research tells us that people do not buy or do business with people they do not like or with whom they do not share the same values. When working with China's future leaders and consumers, it is essential to discover what they, as a culture, like and dislike about others. It is especially critical for foreign businesses to develop insight regarding male and female values and the emphasis that the Chinese emerging generation places on these values.

China's High Context Culture

Cultural values encompass beliefs and traditions that have evolved in China over centuries. They serve as founding pillars upon which moral reasoning and decision-making are placed. In order to work within foreign cultures, it is essential to understand cultural differences and similarities.

Several models of cultural competence emerge to help with business endeavors including Edward Hall's "high and low context." According to Hall's model, China has a high context culture. The core element is "guanxi," which represents taking time to develop permanent personal friendship and camaraderie between individuals, and to demonstrate the ability to exert influence. In 2005, research by D. Lee and P. Dawes also underscored the fact that Chinese people are process-oriented rather than goal-oriented.⁴ Another core element of Chinese culture is "mianzi," which means face or reputation. Saving face, losing face, and giving face are important to the Chinese. The words "no" and "not" can cause loss of face, so they should be replaced with more

indirect verbal interaction and phrases such as "That would be inconvenient." Formal titles and adherence to hierarchy are highly valued. Group consensus and cooperation are emphasized over individualism and competition. Modesty is prized more than confidence. The Chinese place great value on family, group, and surface harmony.⁵

Researcher Geert Hofstede developed a framework to explain how different cultures process information. Hofstede, who spent years studying more than 100,000 IBM employees



worldwide, attempted to identify value dimensions which differ from culture to culture. He offered five dimensions of culture: the Power Distance Index (PDI); the Individuals/Collectivism Index (IDV); Masculinity/Femininity Index (MAS); Uncertainty Avoidance Index (UAI); and the Long Term Orientation (LTO). Hofstede determined that the MAS rating, which describes the distribution of roles between genders, was especially high in China.⁶ In another study, Fons Trompenaars research revealed that in cultures like China, physical contact and obvious facial expressions are taboo, and emotions are strictly hidden. Calm and self-possessed conduct is admired. In contrast, cultures high in affectivity, people openly show their feelings by smiling, gesturing, laughing, and showing facial expressions. High affective cultures are transparent, expressive, and animated. Emotions flow easily, and physical contact is appreciated.⁷

A Unique Opportunity

The author had an unusual opportunity to conduct a survey of university students in mainland China. (Note: In the late 1960s and 1970s, M. Rokeach conducted research and developed the Rokeach Value Survey, a pivotal instrument that assessed a large body of Hong Kong university students who participated in that study.)⁸

The research conducted in Beijing is noteworthy because it reveals much about the mindset of students enrolled in Chinese mainland universities. There are few independent studies in mainland China that have focused on the values of that country's emerging educated consumer generation.

Background

The author had contacts through a long-time friendship with a Chinese scholar (first met while bringing university students from America to China). As noted earlier, the concept of "guanxi" is extremely important to the Chinese. Friendships, once established, are loyal, sincere, and indispensable. Nothing substantial happens in China without guanxi.

This Chinese scholar went way out of the usual relationship favors to arrange an invitation into the classrooms of two prestigious Beijing universities. It is highly unusual to be invited into the private classrooms of a Chinese university to conduct research. The Chinese scholar, a former student at one of the universities, was extremely well connected and had developed friendships at both universities.

The researcher and the Chinese scholar went into the classrooms, presented a short introductory lecture on values and research, and asked all of the students to participate voluntarily in the cultural research. The survey questions were asked in several classes of undergraduate students, all of whom were bilingual.

Participants

In the present research, participants were 161 students from the mainland of the People's Republic of China (P.R.C.) enrolled in universities in Beijing. The subjects ranged in age from 19 to 24 years of age. Although the populations were not strictly randomly selected, they appeared representative enough to allow for meaningful considerations (University students are selected from throughout China to study at the universities based on their academic records and test scores). Undoubtedly, they are the upcoming generation of China's educated leaders and consumers.

Survey Questions Yield Interesting Results

The male and female students in the classrooms of each university were asked each question (in English by the author and in Chinese by the translator), then told to quickly write their responses in ten words or less (independently, anonymously, and without discussion), both in English and Chinese:

- What do you like most about men?
- What do you like least about men?
- What do you like most about females?
- What do you like least about females?

The papers were immediately collected. The responses were then translated by the Chinese scholar (a fluent English scholar who has studied extensively in England, Germany, and Turkey), comparing the Chinese answers with the English translations to ensure accuracy. Only a few questions were left unanswered by some of the students. The responses were spontaneous, and the students were unaware beforehand of the questions they would be asked.

A New Glimpse of Understanding

What is remarkable about the Beijing mainland survey is that the sample

size was relatively large and represented not only students from the mainland of China, but also the best and the brightest youth from all over China. The study asked the students to generate for themselves not only those values they liked in males and females, but also those they disliked. No value list was given to the students to prompt or bias their responses. They were simply asked to write what they liked and disliked in both

ROKEACH SURVEY	PRESENT STUDY
TOP RANKINGS:	TOP RANKINGS:
Courageous	Honest
Responsible	Courageous
Intellectual	Helpful
Capable	Responsible
Broad-minded	Intellectual
Independent	Broad-minded
Honest	Gentle
Helpful	Handsome/ Beautiful

males and females.

Like the Rokeach Value Survey, which has been shown to be a valid value measure, the results of the present Beijing study also show that Chinese university students have great concern toward personal character related values.

In comparing the results of this study with the Rokeach Value Survey, there are many similar positive values. The Rokeach instrumental values (personal values), which was the focus in the present study, showed the values of responsible, courageous, intellectual, and capable as the top four, in that order.⁹

On the other hand, the Rokeach Value Survey is somewhat different in theoretical conceptualization and

therefore limits absolute direct comparisons with the present study. Values ranked in the present study, however, mentioned many similar top ranked values as in the Rokeach study: e.g., males ranked as high the male values of honesty, friendship, and courage; males ranked as high the female values of gentle and kind (represented in Rokeach's Survey as loving). Females ranked as high the male values of courage, helpful, responsible, and intelligent; females ranked as high the female values of gentle and kind (represented in Rokeach's Survey as loving), honest, capable, and intelligent. These were all qualities mentioned as high ranking on the Rokeach Value Survey.¹⁰ Consistent with the earlier Trompenaar study, the Beijing survey showed the Chinese to be affectively neutral or more subdued. Results showed that both females and males ranked gentle and kind as high values for females; females and males ranked arrogant and rude as qualities they dislike in males; and garrulousness as a value both genders did not like in females.

Friendship was ranked high by males as the male value they thought most important. (This might be a result of the impact of China's one child policy.)¹¹ Males value friendship greatly because they do not have brothers, so they form significant friendships to fill this gap. This finding is consistent with the results of the Rokeach's study.¹²

When comparing values on the dimensions of the importance of character, physical, or intellectual traits, the present study overwhelmingly showed character traits as most valued by both genders. Intellectual and physical traits were considerably less important as values for both males and females.

Male-Female Differences and Similarities

To be sure, some gender differences were found. Male students were more personal, accomplishment, and competency oriented. Female students

show greater concern for moral and intrinsic values. (Comparisons by year in school and field of study showed insignificant variations.)

Males most like honest, courageous, intelligent, and strong men with whom they can have true friendships. Women like the same traits in men along with helpful and responsible. Males like gentle, kind, beautiful, and honest traits in women, with women ranking the same values as being important in women. Males dislike the traits arrogant, rude, cowardly, and dishonesty in men. Women dislike the same traits in men along with effeminate traits. Men dislike artificial, rude, and garrulous traits in women. Women also dislike those traits in women along with dishonest and mean traits.

One of the main discoveries of the Beijing study was the lack of available, reliable research regarding Chinese gender value studies in mainland China. The findings of the value preferences of university students in this investigation, however, are quite clear. The study indicates that male and female Chinese university students in the P.R.C. share similar gender values. To somewhat varying degrees, what males like and dislike about men and women are similar to what women like and dislike about men and women. The same character traits are mentioned by both men and women, and both genders place less emphasis on physical and intellectual values. The reason may be that phys-

ical and intellectual traits are not as important when forming friendships—one does not deeply bond with friends at a meaningful level because of physical and intellectual traits.

Knowledge Shapes Communication

Possessing information about gender values makes it easier for businesses to know their audiences—to better understand how the educated generation of China will respond to marketing campaigns. Such insights are essential in developing business relationships.

In addition, this type of research is invaluable to marketing and advertising firms in particular. Marketing is about understanding consumer wants, desires, needs, and dislikes. Using this research helps agencies cater to these values in advertising. A marketer can use information about gender values to guide market decisions and redirect advertising, public relations, and business strategy. Understanding relationships is key to successful business. Additionally, it is valuable information in recruiting foreign students to U.S. universities.

The Beijing survey results can also be helpful for Christ-followers. In Mark 12:30-31, Jesus reminds us of the commandments to “Love the Lord your God with all your heart and with all your soul and with all your minds and with all your strength. The second is this: ‘Love your neighbor as yourself.’” How can you love your neighbor

unless you get to know him or her better?

Insight into the Chinese culture and values and an informed solid perspective on how Chinese men and women see the world can only promote understanding and build true guanxi. This understanding is essential in the development and success of doing business in China.



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A banner for Regent University's School of Global Leadership & Entrepreneurship. It features a photograph of a man in a suit looking forward, with other people blurred in the background. The text "Regent University | School of Global Leadership & Entrepreneurship" is at the top. Below it, the word "Innovate" is in white, "Transform" is in orange, and "Lead" is in white. At the bottom, it says "Christian Leadership to Change the World | MBAM.A. Ph.D. Online". On the right, there is a button that says "Apply Now".

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ROLE AMBIGUITY?

**Enhancing Performance by Reducing Uncertainty
in Expatriate Assignments**

BY EVAN WOOD



Growth in globalization and global markets continues. The recent recession highlighted the interconnectedness of global business, as downturns in any one country have far reaching effects on other countries. Businesses can no longer choose to compete purely local – all businesses compete globally. Globalization continues to result in a highly competitive environment.

Most multi-national corporations (MNCs) employ international managers or expatriates to manage global operations, and despite alternative forms of international assignments, evidence continues to support the wide use of expatriates (Collings, Scullion, & Morley, 2007), and there is an expectation for continued use of expatriates. Brookfield Global Relocation Services 2010 Global Relocation Trends Survey, which sampled firms that manage a global workforce of 5.8 million employees, shows that 44% of responding firms project an increase in their expatriate population in 2010, 44% of the firms project their expatriate population to remain flat, and only 12% of the responding firms project a decline in their expatriate population. Additionally, globalization and ease of doing business cross borders has resulted in an increased demand for international managers by small and medium sized organizations, particularly in instances of international joint ventures. Organizational success largely depends on international managers.

Failure

Historically, expatriate failure has plagued MNCs. The 2010 Global Relocation Trends Survey reported that the

turnover rate amongst participants was 17% while on assignment and 38% within one year of return. Additionally, another 7% returned home from the assignment prematurely, but remained with the company (Brookfield Global Relocation Services, 2010). That means nearly 24% of all international assignments resulted in premature conclusions, while over one-third of those with the international experience leave with their new knowledge and experience shortly after returning. Yet, premature departures are only one form of failure. International managers that are not effective, yet remain on assignment, may be even more costly. All types of failure are costly for MNCs.

Direct costs of failure include items such as salary, training costs, travel, and relocation expenses. Average compensation ranges between \$300,000 and \$1 million per year, with early termination of the assignment costing up to \$1 million (Wentland, 2003). The cost of a failed assignment results in five to 10 times the cost of a local hire (Carraher, 2005).

Indirect costs of failure have greater consequences. Indirect costs of failure include issues such as damaged relations in the host country, low productivity, and loss of market share. Failure is costly to organizations, including missed opportunities, poor productivity, and diminished relationships that can be more costly than financial expenditures. Further, industry surveys indicate a low return on investment (ROI) for long-term international assignments, with 70% of organizations claiming an average, fair, or poor ROI associated with such assignments (McNulty & Tharenou, 2004).

Numerous factors have been attributed to the cause of failure. These factors include technical knowledge, personal adjustment to the foreign culture, family adjustment to the foreign culture, and environmental factors. Other factors which emerge as significant include the peculiarities of the host environment and the level of support provided by the headquarters. However, one significant

factor that is often overlooked is the clarity of the international manager's role, resulting in role ambiguity.

What is role ambiguity?

Role ambiguity is the term used when there is a lack of clarity on the part of an individual about the expectations of the organization and colleagues concerning his or her role within the organization. Role ambiguity is most common in new positions or in positions undergoing change. The four most frequently cited instances of role ambiguity include: (1) uncertainty about how work is evaluated; (2) uncertainty about advancement opportunities; (3) uncertainty about scope of responsibilities; and (4) uncertainty about others' performance expectations (Handy, 1985). It is expected that a major work role transition such as an international assignment would have some role ambiguity. The basic understanding is that the greater the role ambiguity, the less able individuals are to predict the outcomes of their behaviors (Black, 1988). For example, expatriates with high role ambiguity are less able to predict how others in their organization will respond to decisions they make, causing them to not make necessary decisions.

Impact on Adjustment

Adjustment to the culture and to the assignment represents a significant concern when employing expatriates. Three major areas of adjustment exist: (1) general adjustment to the culture and non-work environment; (2) interaction adjustment with host nationals; and (3) work adjustment to the new assignment and work environment. The inability to adjust most often results in failure and the resulting high costs.

As might be expected, numerous studies have shown a strong negative relationship between role ambiguity and work adjustment. This indicates that the greater the clarity around the international managers role the greater that manager will adjust to the assignment and work environment. In one study of North American expatriates in Ireland, role ambiguity displayed the most signifi-

icant relationship (negatively) with work adjustment (Morley & Flynn, 2003).

In spring 2010, the author surveyed 88 North American expatriates assigned to Hong Kong on a variety of factors that impact adjustment and performance. That study found reduced role ambiguity to have a positive effect on work adjustment. Further, reducing role ambiguity had the most significant impact on work adjustment, greater than cross-cultural training, mentoring, prior experience, language fluency, and compensation.

General and interaction adjustment are also negatively impacted by role ambiguity as well. Significant spillover effects were identified between the work and non-work domains. Numerous studies have shown that stressors in one domain spill over into other domains. Thus, the inability to adjust to the new work assignment spills over to non-work domains, hindering the international managers ability to adjust to the general environment and to interacting with host nationals.

Impact on Performance

With the negative impact role ambiguity has on the three facets of adjustment, it is not surprising that role ambiguity negatively impacts job performance as well. In the study of North Americans working in Hong Kong, role ambiguity exhibited the greatest relationship (negative) with performance. As with work adjustment, reduced role ambiguity exhibited a greater relationship with high performance than any other factor in the study. Individuals tend to divide up their mental and emotional resources among various tasks. With reduced role ambiguity, expatriates' mental and emotional resources are freer to focus on factors associated with actual job performance as opposed to simply trying to figure out their role.

Reducing Role Ambiguity

With the clear connection between role ambiguity and reduced adjustment and performance, the question becomes, "how do we reduce role ambiguity." Three key areas for organizations to

consider include: (1) clear purpose and goals of the assignment; (2) clear expectations and responsibilities; and (3) clear levels of authority and decision-making capabilities.

International managers need to see and understand the clear purpose of the assignment. They need to understand how their role fits in with the organization's overall strategy globally. Associated with that is the need for clear goals. Clarity around purpose and goals help international managers put their role in perspective. Clear purpose and goals also help host nationals working in the organization gain the proper perspective on the international manager's role. This clarity helps to create an alignment between the home office and the international location.

Consistent with most positions and roles, clear expectations and responsibilities are important for international managers. Complicating this though is the reality that most individuals developing the positions or job descriptions are not familiar with the needs of the international assignment. International managers are often in positions that get developed as they go. This creates great uncertainty for the individual and the host nationals they work with. The international manager has to balance the

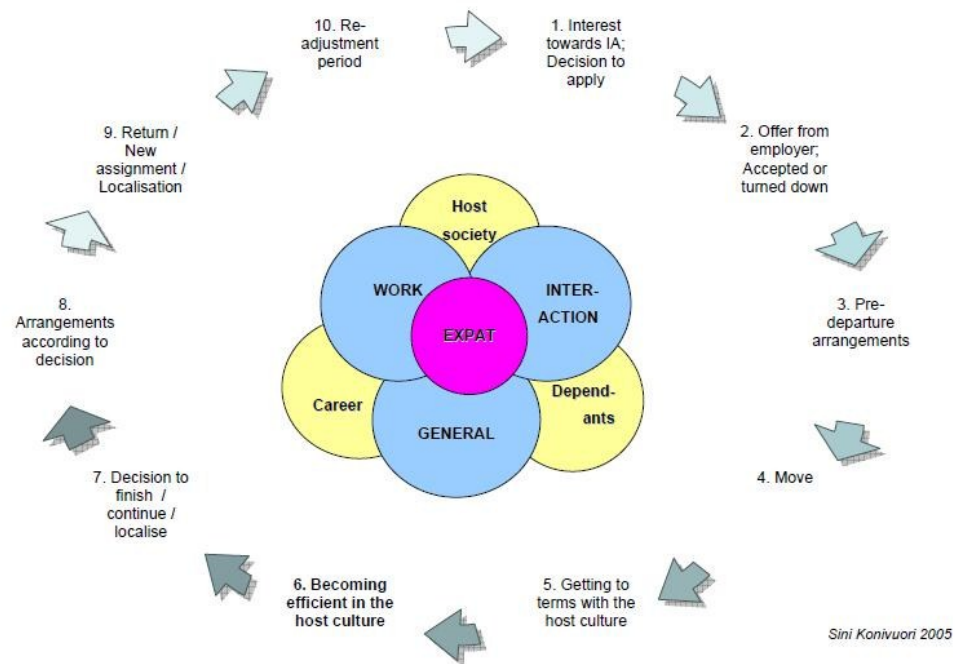
expectations of the locals as well as those of the home office, which may have conflicting expectations. Setting clear performance expectations and clearly outlining responsibilities helps reduce role ambiguity.

Clarifying levels of authority and decision-making capabilities are the final significant area to reduce role ambiguity. International managers are often operating in foreign environments in opposite time zones where they are the face of the organization. Host nationals, both employees and customers, typically expect the international manager to be able to make decisions on behalf of the organization. However, many international managers do not know what types of decisions and commitments are permissible. This tension creates confusion and great stress that can slow them down significantly, hindering performance. Organizations that clearly spell out levels of authority and frameworks for types of decisions that can be made and types of decisions that need input from the home office place their international managers in the best position to succeed.

Questions to Evaluate Role Clarity

Rizzo, House, and Lirtzman (1970) developed a scale to measure role clarity that

FIGURE 1: Expatriate Assignment Cycle



has been used in much of the research. The scale has the following six questions:

1. I feel certain about how much authority I have.
2. Clear, planned goals and objectives for my job.
3. I know that I have divided my time properly.
4. I know what my responsibilities are.
5. I know exactly what is expected of me.
6. Explanation is clear of what has to be done.

The basis of these answers helps to determine the level of role clarity or role ambiguity. The answers also help to determine where ambiguity in the role might exist.

Closing Comments

Organizations commit a lot of resources to international operations and international managers during the full expatriate assignment cycle (see figure 1). Over the past decade, global organizations have improved cross-cultural training and other support services for these international managers. However, levels of adjustment or performance do not seem to be improving. The belief of this author is that role ambiguity may be one major factor as to why adjustment and performance is not higher. Creating greater role clarity would seem to be a low investment with high potential returns, especially considering the high costs of employing expatriates. As MNCs move through the expatriate assignment cycle, active thought should be given to creating greater role clarity at each step.

Resources

Numerous organizations provide consulting and resources for MNCs and expatriates. The following provides a sample of some of the best resources.

Global Edge (globaledge.msu.edu): Created by the International Business Center at Michigan State University (IBC), globalEDGE™ is a knowledge web-portal that connects international business professionals worldwide to a wealth of information, insights, and learning resources on global business activities.

Transitions Abroad (www.transitionsabroad.com): Provides a comprehensive web-portal for resources related to work abroad, study abroad, living abroad, and cultural travel overseas.

Hewitt Associates (www.hewittassociates.com): Global human resources consulting and outsourcing firm. International website provides access to research and insights.

Brookfield Global Relocation Services (www.brookfieldgrs.com): Global relocation firm providing relocation and assignment management services. Developed annual Global Relocation Trends Survey and other research and insights.



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SME EXPORTS AND TRADE FINANCE:

What Resources are Available

By Jeff Slattery

U.S. goods, services and agriculture exports increased 13% and hit an all time record in 2007 totaling \$1.646 trillion and comprising 11.9% of the GDP in nominal terms. U.S. real exports grew 37.3% from 2003-2007 while GDP only grew 12.3%. In addition, 2007 exports accounted for 41.4% of the change in real GDP growth. Contrary to the average American's perception, U.S. exports actually outpaced imports, lowering the trade deficit by \$ 53.0 billion for the first time since 2001. Despite these astonishing export growth patterns and figures, still less than 1% of U.S. firms export their valuable products and services. The U.S. lags behind other G7 countries regarding the

percent of GDP exported. Figure 1 clearly depicts the large disparity of U.S. exports as a percent of GDP when compared to other G7 members. Significantly increasing exports in a relatively short period remains elusive for many but not impossible. Germany increased exports by 30% since 2001. Germany's exports now account for 49% of the economy (Trade Promotion, 2008).

The U.S. increased the number of exporting firms by 2.3% in 2006 to 245,945. Still, when compared to the 27.7 plus million firms in the U.S. only a fraction of firms actually export and the number of exporting firms lags behind the overall growth of the business community. The number of established U.S. firms expanded by 28% from 1997 while

exporting firms only grew by 15% in the same time period. In addition, small-to-medium-sized-enterprises (SME's) comprise 99% of all firms and account for 97% of all exporting firms; however the exporting SME's only produce 29% of the export value. The typical SME (90%) exports from a single location to a single location indicating a substantial need and opportunity for significant expansion for current exporters and non-exporting firms. SME's tend to struggle with limited resources, knowledge, and experience when it comes to acquiring trade leads, exporting resources and international trade finance. In order to aid SME's in expanding into international markets this overview provides essential knowledge and resources for SMEs preparing to initiate or continue

with international trade transactions (Trade Promotion, 2008).

SME's will find encouragement in knowing that research indicates that international or exporting firms outperform domestic enterprises, employ more staff, pay higher wages, benefit from increased efficiency and reduce costs, offer a more diversified product range, are more socially responsible and benefit significantly from engaging in international trade (Julien & Ramangalahy 2003; Quin, Lang, & Wang 2003). Clark (2005) highlights this fact by reporting that exporting SMEs increased revenue by 54% from 1992 to 2002. In addition, Hsu & Boggs' (2003) internationalization study confirms the existence of "a positive linear relationship between the degree of internationalization and performance" (p. 37). Slattery (2008) confirms this contention utilizing 2005 data and estimated that each exporting SME's on average gained \$734,000 from exporting activities. The dramatic benefits of international trade for SMEs clearly demonstrates that SMEs benefit and should, if at all possible, dedicate the necessary time and energy to obtain the required resources, knowledge and experience to aid and prepare them for international trade.

The U.S. government acknowledges the vital importance of providing SME's with critical resources and support to aid them in continuing or developing into strong exporters and proficient businesspersons in the realm of international trade but more could be done.

Hopefully the U.S. will follow the lead of our primary trading partners. Figure 2 illustrates and compares estimated amounts that our major trading partners spend on aid and programs to promote international trade. The vast majority of SMEs fail to utilize the many valuable services and programs that the U.S. government provides simply due to a lack of awareness. The next section of this overview describes the primary governmental resources available and provides direct links to the specific Internet sites and organizations.

The U.S. government partners with numerous governmental agencies and private businesses to provide the essential services and programs to promote the expansion of SME exports and international trade transactions. The following organizations are best prepared to serve the interest of SME's in their international trade endeavors. The focus here remains on the primary governmental agencies in order to narrow the vast array of providers down to the most cost effective, validated and productive resources.

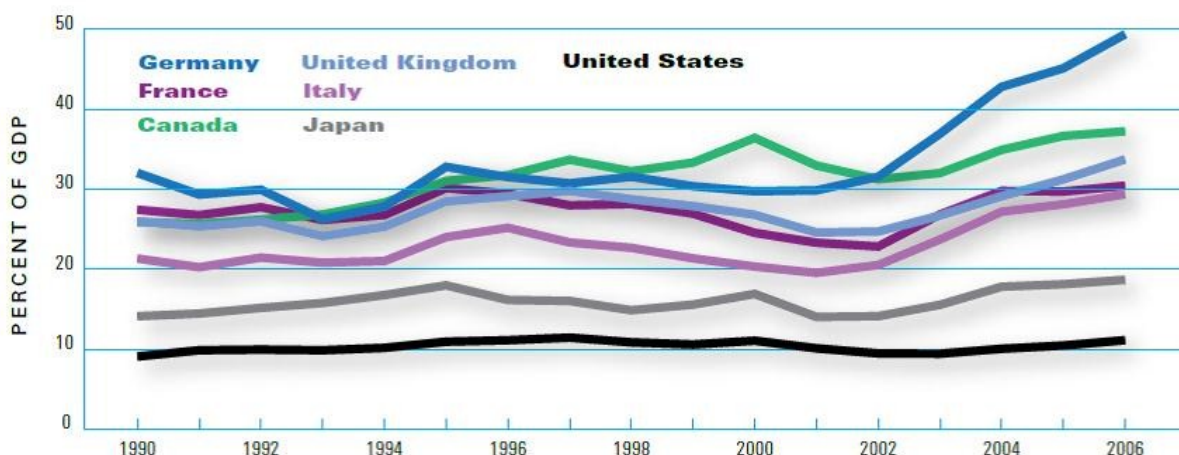
The U.S. Department of Commerce (DOC) has the primary tasks of providing and overseeing commercial services for the government and U.S. based firms both domestically and abroad. The International Trade Administration (ITA), a bureau of the DOC, acts as the main agency for all international trade related matters. The ITA's primary mission "is to create prosperity by strengthening the competitiveness of

U.S. industry, promoting trade and investment, and ensuring fair trade and compliance with trade laws and agreements" ("About the," 2008). The ITA accomplishes this mission through four agency organizations;

- US Commercial Services
- Manufacturing and Services
- Market Access and Compliance
- Import Administration

The US Commercial Services (USCS) department provides specific and targeted services for seasoned exporters but has a primary mission to develop and offer services and programs for non-exporting and novice SME exporters. The remaining ITA agency organizations provide ancillary, industry specific or foreign regulatory guidance and services and thus are only mentioned as an additional resource in this installment. The USCS offers the most comprehensive and pragmatic services of the four ITA organizations for non-exporting and new SME exporters. The USCS services are offered on-line, via webinars, live seminars and presentations around the country. In addition to the on-line services the USCS provides direct contact and consultation by trained Trade Specialists in 107 U.S. cities and 80 foreign countries. The USCS centers offer detailed country specific sales and marketing analysis and planning, international logistics services and information regarding freight forwarders, harmonization

FIGURE 1: G7 Percent of GDP Exported



Note: Based on exports of goods and services and on GDP in current prices and purchasing power parity.

Source: Organization for Economic Cooperation and Development, OECD Factbook 2008: Economic, Environmental, and Social Statistics.



FIGURE 2: Estimated Governmental Spending to Aid in Export Promotion

codes, tariffs, fees and export documentation. In addition, the centers provide data on export regulations and licenses, trade data and analysis, international finance education, information on trade events and trade missions. The USCS's main export portal webpage Export.gov stands as the primary launching point for new and existing exporters. Export.gov provides counseling and educational services designed to provide new exporters with the basics of exporting and yet most recent export information and data. New exports should become very familiar with and utilize the Export Basics information and resources. Firms that possess a sound grasp of exports basics should then move on to the Gold Key service which matches exporters with prequalified international buyers. Gold Key provides a wealth of information and services for a very nominal fee of \$700.00 and grants are available to reduce the cost in half for first time exporters. The service aids with every aspect of establishing an export transaction. In addition, the service walks exporters through the process of obtaining trade leads, obtaining initial meetings setting the stage for a possible international trade deal. The Small Business Administration or the Ex-Im Bank takes over international financing, depending on the amount of financing required. The SBA's Export Working Capital Program (EWCP) provides guaranteed loans to a maximum of 2 million. The SBA guaranteed loans

enables commercial lenders that would not normally extend credit in risky situations to offer critical working capital loans to SME's that without the loans would lose out on exports due a lack of capital. The EWCP loans are for exports of any type and even indirect exports qualify. The major benefits of the EWCP loans includes; no application fee or restrictions regarding content or military sales, a very low funding fee of .25% of the guaranteed portion typically up to 90%, a streamline process and quick response time. The new Export Express program reduces the response time to 24 hours for some loans under \$250,000. The Vellus Product export success story provides a glimpse of the possibilities for U.S. SME exporters (U.S. Department of, 2008).

The Ex-Im bank acts as the official export credit organization for the U.S. government. Similar to the SBA EWCP the Ex-Im bank provides guaranteed loans. The Ex-Im loans are in excess of \$2 million and are without limit, but contain several limitations. The Ex-Im EWCP loans require that products contain at least 50% U.S. content and any nuclear or military products and some environmental goods and services are excluded. The Ex-Im charges a very low non-refundable application fee of \$100 and a 1.5% upfront facility fee that may be reduced to 1% if the exporter purchases export credit insurance. The primary advantage of the Ex-Im bank rests in

the fact that the U.S. government through the Ex-Im bank provides guaranteed loans to foreign purchasers of U.S. export goods and services, especially in risky foreign emerging markets. The foreign imports must prequalify and remain creditworthy but the Ex-Im provides loans when traditional commercial services and banks will not provide the necessary credit. The Ex-Im loans significantly aid SME's and U.S. firms in increasing exports that would otherwise be lost due to a lack of international financing. Ex-Im loans are applicable for medium (up to 5 years) and long-term (up to 10 years) export transactions. In addition to loans the Ex-Im bank provides export credit insurance which protects exporters from the risk of non-payment due to economic and political risk (U.S. Department of, 2008).

U.S. export agency organizations provide invaluable services and programs for U.S. exporters of all sizes and capa-





EXPORT SUCCESS

VELLUS PRODUCTS, Columbus, Ohio

"I love exporting because it has enabled me to meet so many people from other cultures. Exporting has made me more broad-minded, and I have developed a great appreciation for other cultures and the way others live their lives."

—Sharon Doherty, President

Vellus Products, a small maker of pet grooming products first became an exporter in 1993, when a Taiwanese businessperson bought \$25,000 worth of the company's product to sell in Taiwan through dog shows. "I started receiving calls from people around the world who would hear of our products at dog shows and ask organizers how they could get in touch with me to buy our products," Doherty recalls. "But I needed a way to find market research and learn more about ways of doing business in these countries." By tapping the services of the Commercial Service, the U.S. Small Business Administration (SBA), and the State of Ohio, Vellus has expanded to 28 foreign markets. "As business has grown, I have gone from ordering country profiles to requesting customized export and financing strategies tailored to maximize export potential," Doherty says.

Photo: Sharon Doherty, President of Vellus Products, with a client's pet.

bilities but maintain a primary focus on non-exporters and novice exporting SME's. The U.S. government recognizes the necessity and significant benefits of supporting and enhancing U.S. exports and is working to create a "Culture of Exporting". Yet the question remains; are you ready to start exporting? There are ample resources available to help you get started. Here are several helpful hints:

- Top management must be very supportive and enthusiastic of an export strategy.
- Be willing to invest the required time, energy and resources to make exporting a successful endeavor: this is not a short term strategy for a poor domestic economy.
- Be in it for the long-haul; do not expect immediate results or profits, depending on the international market it may take years to establish a profitable export business.
- Be prepared for setbacks and frustration: international trade and exporting is complex and time consuming, thus the reason for less than 1% of firms engaging in exporting.
- Assign a single export or international trade manager and provide sufficient authority and resources.
- Do not simply hire an export management company: this teaches you nothing about the process and fails to advance your international experience, expertise and knowledge accumulation process.
- Expect to travel and make new long-term business relationships as many foreign countries operate on a long-term business ethic.
- Become educated on the process of internationalization and exporting; this will take some time and resources.
- Be open and respectful of cultural difference and be willing to share your experiences and culture as well.
- Most of all enjoy the experience and benefits that will come from international trade and exporting; it will open up a whole new world for you and your business.

Hopefully the U.S. will continue to expand into international markets and SME's will lead the way into new and uncharted territory. SME's must be willing to utilize and implement the numerous resources available to advance their knowledge, experience and expertise in the process of internationalization through exports. The time is now to start the process of expanding your business into the global economy.



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