Choosing Operations To Undertake In Companies

Choosing to undertake business operations in other countries demand that a company's leaders and managers understand what can often be diverse cultural signs and radically different behaviours and philosophies compared to their own culture. For example, Richard Nixon, a U.S. President, made a trip to Brazil and gave the "Okay" sign as he was exiting the plane directed at journalists and officials and meant well, but this was considered to be the Brazilian equivalent of the middle finger used in America as a lewd gesture (Risk Management 2004: 1).

The fact that Nixon did not take the time to familiarise himself with the nation's local customs before arriving and doing business in Brazil was insulting and may have prohibited a positive response to a working relationship with the country (Risk Management 2004: 1), thereby illustrating the importance of understanding various differences between cultures.

To ensure that business relationships, negotiations, partnerships and, most importantly, employee relations are successful when starting up operations in countries like Brazil, it is important to look at the country's cultural determinants, Hofstede's cultural dimensions and world values survey, theoretical perspectives, and cross cultural management practices in order to manage the business appropriately. As such, gaining a better understanding of the diverse values, attitudes, beliefs and behaviours within Brazil can help to create more effective working relationships, close more business deals, and generate greater success for multinational firms.

Cultural Determinants

In first looking at the determinants of culture in Brazil, the country is known to be a culturally and geographically diverse country that is impacted by the numerous European and South American cultures that have either settled there or that surround the country, including Argentina, Bolivia, Colombia, French Guiana, Guyana, Paraguay, Peru, Suriname, Uruguay, and Venezuela (KWIntessential 2007: 1).

Language

Although Brazil's primary language is Portuguese, there are numerous African and indigenous Indian influences, and English is widely used within major metropolitan areas due to the country's long-standing trade with many English-speaking countries (ExecutivePlanet.com 2008: 1). Considered to be the most populous country in South America, the country has been dominated for more than half a century by a populist and military government until civilian rule came to power in 1985 (CIA 2009: 1). Its economy focuses on industrial and agricultural growth by leveraging its expansive natural resources and large labour pool (CIA 2009: 1). However, the country does face extreme

inequality in terms of income, wealth, and overall social opportunities as well as significant crime, homelessness, and poverty (CIA 2009: 1).

Religion

In terms of its ethnic mix, Brazil is comprised of primary white (53.7%), mulatto (mixed white and black) (38.5%), and black (6.2%) whilst its religious focus is primarily Roman Catholic, Protestant, Spiritualist, and Bantu/voodoo 0.3% (CIA 2009: 3). The literacy rate amongst men and women is even at approximately 88 per cent but the country ranks very low in terms of its GDP expenditure on education and developing the knowledge of its citizens (CIA 2009: 4).

Business Culture

In order to work in a cross-cultural management relationship with leaders engrossed in this type of culture found in Brazil requires "open-mindedness, patience, flexibility to adapt considering the local reality, humility, consideration and good manners, to search for common ground rather than conflicting opinions, the desire to build lasting relationships rather than to merely collect acquaintances and customers, and demonstrating some interest in matters beyond the business at hand and business in general" (Kessler and Wong-Ming 2009: 105).

As previously mentioned, relationships and networking are highly valued in Brazil, so considerable time should be allotted to nurturing personal and professional relationships as it helps to know the right people in Brazil to facilitate business and career moves (Malinak 2007: 1). Despite the drive and determination to be successful, business and work is often not as punctual and fast-paced as European or American firms with slow negotiations, delayed meetings, relaxed work schedules, and long lunches and dinners from which more business may actually be conducted (Malinak 2007: 1).

There are a number of business behaviours that may be somewhat different than other countries. For example, shaking hands and eye contact is very important in Brazil as is appearance and the look of one's attire (KWIntessential 2007: 2). Because of the need for familiarity versus uncertainty as well as the need for trust in their business dealings, Brazilians also prefer face-to-face meetings rather than working virtually or in a telecommuting type role (KWIntessential 2007: 2). Due to the hierarchical nature of business in Brazil, formality is often very important. This would mean that personal topics about one's family or personal life should be avoided; instead, topics at work can focus on travel, one's culture if from another part of the world, and soccer, which is the country's passion and symbol of its patriotic pride.

Cultural Dimensions of Companies

Overall, there is a significant amount of influence by Brazil's national culture on the organizational culture of companies there, especially when it comes to reflecting the

ethic characteristic of Brazilian culture. In reviewing Hofstede's cultural dimension of Brazil, its highest dimension is Uncertainty Avoidance, which rates as a 76, meaning that the country is uncomfortable with the idea of uncertainty, so Brazil has added "strict rules, laws, policies, and regulations" to gain greater control and minimise uncertainty (Hofstede 2009: 1). Because the country upholds a strong Catholic belief system, this could also relate to the religion's teaching of absolute truth (Nicol 2008: 2). This hatred of uncertainty leads many Brazilians to struggle with the idea of change or risk of any kind (Hofstede 2009: 1).

Although Brazil's Individualism rank of 38 is higher than most Latin American countries, Brazil is still viewed as a Collectivist society because of its focus on the family and loyalty to those relationships that often supersedes societal rules (Hofstede 2009: 2). The loyalty often extends to one's company in which Brazil has been found to have some of the most committed employees (Nicol 2008: 2). Because the country operates within a group culture, all decisions are based on how it might impact the family and even the country as a whole (KWIntessential 2007: 2). There is a considerable power distance with Brazil related to the aforementioned gap and inequality in wealth, income, and societal status (Nicol 2008: 1). Additionally, there is a high long-term orientation ranking related to the country's respect for tradition and value system focused on integrity and as strong work ethic (Malinak 2007: 1). Despite the laws that prohibit discrimination, class differences are still observed in the business world.

In relation to hierarchy, it "encompasses power concentration and acceptance of inequality within companies" (ExecutivePlanet.com 2008: 2). For example, company meetings may seem to exhibit an informality and involvement of subordinates, each person still understands and respects the hierarchy of leadership and management (ExecutivePlanet.com 2008: 2). Additionally, numerous examples related to employee well-being and treatment also illustrate the hierarchical nature and lack of recognition in terms of employees as assets and competitive tools, especially since there are so many protests and battles over the rights of female workers as well as the rights of rural and factory workers (Renwick 2009: 315).

Another book that focused on the issues of global leadership and cultural mythology noted some other distinct leadership behaviours found in Brazil. As the book noted, "Leaders have to take into account in-group membership in hiring, promotion and disciplinary decisions as individuals may feel compelled to act in the interests of the group when those interests conflict with those of the employer" (Kessler and Wong-Ming 2009:104). A leader may also even go as far as break certain rules in order to save face with a group or keep a relationship within their social or family network (Kessler and Wong-Ming 2009: 104).

Along these same lines, a study of the use of ethical business practices in Brazil as compared to the U.S. found significant difference primarily in terms of the "assessment of the ethical content of business decisions" wherein egoistic and utilitarian criteria are used by Brazilian business leaders and management for determining the ethical content

of a certain decision (Beekun et al. 2003: 276). Because America tends to be more individualistic in its approach whilst Brazil is a collectivist society, Brazilians tend to put relationships over ethics whilst an individualistic society like America would see leaders and management more expectant in terms of having people follow the "rules" of society and are less tolerant of those who violate the "rules" (Beekun et al. 2003: 276). In a collectivist society like Brazil, the greatest numbers of people who see a decision as being right or ethical are the ones that rule regardless of the fact of whether or not that particular situation is actually ethical.

Case Study Examples

In looking at a case study example, one group of researchers examined the differences in perspective between public and private companies in Brazil that tend to illustrate the Hofstede theory in action. They found that those in charge from Brazilian private companies tended to believe that their organisations valued cooperative professionalism, employee satisfaction, and well-being at a much higher level than those who were queried from Brazilian public companies (Ferreira et al. 2004: 2).

In contrast to these findings, those from Brazilian public companies stated that their organizations valued rigid hierarchical power structures and competitive professionalism much more so than the Brazilian private companies (Ferreira et al. 2004: 2). In terms of organisational practice, those from Brazilian private companies, as perceived by employees, found that their firms adopted external integration practices, reward and training practices, and interpersonal relationship practices at a higher level than those queried from Brazilian public companies (Ferreira et al. 2004: 3). Again, there were some interesting contrasts to note. For example, Brazilian public companies were seen as preferring decision-making and communication practices more often than Brazilian private companies, according to their employees (Ferreira et al. 2004: 3).

The overall study of a wide range of Brazilian private companies found that employees that were efficient, competent, demonstrated a team spirit, dedicated, professional and took the initiative were highly admired, and these private companies seemed to be "concerned about subjacent aspects of performance, such as employee satisfaction and well-being," they tended to "humanize the work environment, making it a more agreeable and pleasant place in which to work" (Ferreira et al. 2004: 6). Private Brazilian companies also seemed to be "concerned about their external customers by adopting measures for strategic planning and decision-making that facilitates their integration with the market" (Ferriera et al. 2004: 6).

The case studies within this research study noted that Brazilian public companies are the firms that tend to resort to the traditional cultural system found within the Hofstede theory in terms of "valuing a centralized and authoritarian system of authority that makes it difficult to increase professional development and to acknowledge the human element (rigid hierarchical power structure)" (Ferriera et al. 2004: 7). This also meant that Brazilian public companies have focused on the cultural dimensions of authority

and competition, which would be considered "detrimental to the human element and to interpersonal relations" and would serve "as a means of climbing the hierarchy" (Ferriera et al. 2004: 8).

It would seem that the management within Brazilian companies tend to neglect the human and social aspects that other cultures may embrace within the work environment and view as a competitive advantage. Instead, as this study that provided a wealth of case study examples on Brazilian culture within the cross-cultural work environment noted, "Such cultural characteristics could be interpreted as negative reflexes of a culture that is strongly marked by the type of 'win-lose' mentality, where the objective appears to be one worker against the other to get noticed, therefore, facilitating access to higher positions inside an existing functional hierarchical structure in the organization" (Ferreira et al. 2004: 9).

In a study by Goss (2004: 3), a case study was provided about Brazilian workers that illustrate the cross-cultural management practices tied to the cultural dimensions of this country:

Mr. J., a Brazilian fisherman, expects decisions from his boss and only wants to act when his boss does not act….But the fishermen expect respect as a return service according to an unwritten moral code. "I am not allowed to go fishing right now. My boss has several boats, but he does not give me anyone to go out for fishing. We still have this problem with the bill and therefore I am not allowed to work. If he (the boss) does not do something, I have to go to him, because I can not let my family starve only because of him."

In the same study, Goss (2004: 4), another case study illustrated the hierarchical order and gender differential cultural dimensions:

A Brazilian woman working in a textile factory has problems at work and she would like to leave her work. But she is divorced and has to pay for the school of her daughter and has no possibility of finding another job. Due to the economic situation of the country and due to her educational background, she has no other options than to stay at work." Once I was ill and had an operation. Then I stayed at home. From 35 workers of the company, 10 already gave their notice. The bosses came to my house and wanted me to work, because they needed me. And I also needed the money, because being ill does not earn anything... If I am well or not, I have to go to work."

This case study also illustrates the various connections made to social and economic status as part of the cultural framework of Brazil in terms of hierarchical control and authoritarian work roles over those of a lower economic and social standing.

Another case study illustrated how a worker from another country found working in a nongovernmental organisation (NGO) in Brazil in terms of cultural differences, working conditions, and management practices that contrasted his own customs. He related the

need to complete a writing assignment for an annual report project in which each member of the team would spend the day writing and so he set off working whilst he heard the others depart for a carnival dance procession to return an hour later full of energy and life (Branco 2010: 154). The Brazilians on the team worked through the night and ended up producing an excellent report that garnered renewed financial support from their constituents (Branco 2010: 155). This foreign worker was not accustomed to this different work style and seemingly relaxed approach to working; it illustrated that it is not that Brazilians are any less passionate about their work but, if anything, they are actually more passionate about mixing fun and work as well as creating a balance to their work/life much better than some other countries are able to do.

Tradition is often difficult to evolve as is seen in this example of the Brazilian Telecommunications Company and the attempt by some management to change the corporate culture there over a period of time from 1979 to 1991 (Palmer and Clegg 1996: 5). However, the tendency was to always return what was the known, which involved an "authoritarian, technocratic culture (Palmer and Clegg 1996: 5). What emerged was an environment of alienation, hierarchical control, and manipulation by management based on social and economic status and elitism (Palmer and Clegg 1996: 5).

However, problems arose that helped the organisation understand how the culture of its own country, including the focus on certain power dynamics, had, in many ways, made it more difficult to achieve certain objectives and foster a new type of business culture based more on a global business culture that promoted diversity, teamwork, equality, democracy, and respect (Palmer and Clegg 1996: 5).

Conclusion

In summarising the conclusions about Brazil's cultural environment for business, the focus is on control, class structure and hierarchy, tradition, trust, and familiarity versus uncertainty, risk, and change as many other countries may be accustomed to in their business dealings. Amongst all of these case studies is the idea that although there have been some attempts by companies to change company culture to reflect a more global feel and belief system, tradition tends to stand when it comes to Brazil's cultural dimensions as the basis for employee-employer and company-customer relationships in the business world.