Cross-Cultural Dimensions of Business Communication: Evidence from Sri Lanka

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Abstract
Cross-cultural dimensions have become as an essential factor for understanding miscellaneous type of social, economic and business environments. It can be define as a learned system of knowledge, attitudes, behaviors, belief and norms which are shared among a group of people in different nations or cultures. This study examines the effect of the ethical corporate cultural dimensions on the business participation and activities in Sri Lanka. The survey directed over the 181 employees who belong to four ethnic groups provided the data for empirical investigation. In order to test the hypothesis, correlation and regression techniques were basically applied. The study result clearly shows that, workplace collectivism has a strong and significant effect on the business activities and participation rather other underlined variables.

Key Words: Collectivism, Group Loyalty and Cross Cultural Dimensions.

Introduction
Cross cultural dimensions have become as an essential factor for understanding miscellaneous type of economic and business environments. It can be defined as an element of the history that has been passed on generations which were represented the anthropological and sociological perspectives (Fischer, 2013) (Aycan, 2000). Besides, it reflects the history of a nation with respect to the different types of characteristics and influencing aspects of the society.

The roles of ethics and social responsibilities have basically focuses on business context in the western develop countries than Asian business context (Jinadasa & Opatha, 1999) (Aryee, et al., 2002). Miscellaneous type of studies can be seen in the literature to examine the ethical belief and social responsibilities based on different type of perfectives (Aryee, et al., 2002). According to the literature, various types of predictors such as union loyalty and union instrumentality positively associated with the union participations of public sector organizations in Sri Lanka (Karandakatiya & Qian, 2014)(Amerasinghe, 2011). Furthermore, these study works suggested that, union participation highly affected with demographic and social characteristics such as loyalty, commitment and instrumentality (Aryee, et al., 2004) (Joycelyn & Ying,, 2011).

As far as Sri Lankan context is concerned, which have focused on the influence of employees attitudes, loyalty, instrumentality as well as workplace collectivism on business practices is relatively limited (Roman & Munuera, J. L., 2005) (Sinhapakdhi, et al., 1995). Thus, the purpose of this study is to explore the relationships between ethical corporate cultural dimensions such as organizational culture, collectivism, time perception and protocol with respect to the business activities and participation in Sri Lanka and decoded the importance of ethics and personal behaviors by private sector practitioners who are working in Banking and Finance and Insurance sector in Sri Lanka (Kelly & Kelly, J., 1994). More specially, main objective of the study are;
To explore the relationship between employees perceived collectivism attitudes and willingness to apply them for business activities in Sri Lanka

To explore the aggregate effect of group loyalty, attitudes and their behaviors on business participations in Sri Lanka?

The rest of the paper is organized as follows: the next section briefly reviews the literature pertaining to current enquiry and proposes a conceptual framework for the study along with study hypotheses. Section three describes the methods and materials used in the study. Section four is devoted for presentation and discussion of the results of the empirical investigation. Final section concludes the study.

Literature Review

Influence of collectivism- the core elements on Business Activities

The concept of individualism vs. collectivism was re-introduced successfully to the modern world by Geert Hofstede in 1980 (Brown, et al., 1986). He mainly conducted his studies based on four dimensions of cultural variations namely power distance, individualism vs. collectivism, masculinity-femininity and uncertainty avoidance. Currently, these theories have been wildly applied to the different type of fields such as cross-cultural psychology, international management and business, cross-cultural communication and etc (Vitell, et al., 2003) (Bryan, et al., 2010) (Triandis & Eunkook , 2002).

The concept of collectivism is always sitting opposite direction of individualism. According to the definition collectivism, it can be a defined as follows; personal or social orientation which emphasizes the good of the group, community or society over and above the individual gain. It always refers to the broad value tendencies of a culture in emphasizing the importance of group rights and in-group oriented needs overtime (Abraham, 1997). Furthermore, it promotes relational interdependence, group harmony and group collaborative spirit. According to the Ho et al. (2012) point of view, culture is a fuzzy construct. They have carried out a comparative study for examine the cultural influences for business etiquette between China and USA. They compared the influences of businesses etiquettes between individualism in America Vs. collectivism in China (Ho, 2012).

Collectivism has highly affected on business negotiations to make strong business partnerships between partners and improve their knowledge through exchanging information, and to reach a fare and the best business deals (Triandis, 2014). The influence of collectivism is highly effect for getting decisions with respect to corporative ideas. Generally, decisions may be taken by the team members within and between company groups representing different cultural backgrounds. These negotiations directly affect for achieving their targets such as; mitigating risk, maximizing returns, leveling and maintaining the playing field, reducing liability, establish the long term relationships and reaching the best price between buyers and sellers (Dimitrova, et al., 2014, Rathnayaka, et al., 2013).

Collectivism influences the organizational culture through the dominant culture of the society. It could be considered as a one of the significant attribute of culture or environment which surrounded by the organizations. However, after the 1980, researchers have been carrying out different type of studies based on these relations. (Kong, 2014) (Soares, et al., 2007) (Lenartowicz & Roth K., 2001) (McCort & Malhotra NK., 1993, Rathnayaka, et al., 2013).

The unprecedented growths of globalization have been affected by the different areas, especially tremendous changers in the world economy and traditional business culture. Rajashi et.al. (2009) proposed a conceptual frame work for exploring the effects of inter-general transition in individualism vs collectivism orientations on the outlook towards HRD (human resource and development) and management practices. This study involved cross-cultural comparison of human resource practices between India and...
China. Different type of data samples were gathered between 20 years period from 1985 to 2006 (Yaveroglua & Donthu, 2002) (Uddin, 2011)(Rajashi et.al. 2009).

In the past two centuries, huge differences can be seen in Asian and Europeans cultural societies. Edward et al. (1997) have carried out different type of studies to discuss the collectivism and individualism influencers for the modern China. According to their view, national culture of the China has been deviating collectivism to low individualism over the past two decades. Bryan et.al (1994) has turned to find the impact of individualism and collectivism on three basic aspects of ethical decision making, the perception of moral problems, moral reasoning, and behavior. They have developed a model which provides a conceptual base needed to develop an agenda for future research of ethical decision making in multicultural contexts (Auch & Smyth, 2010).

Group loyalty is another key element that can be used as a way of making or breaking business activities. Protection and the success of business deals could not be seen inside the working background without loyalty from their group of members. While doing business in miscellaneous working environments, group loyalty can be considered as one way of protecting the group business (Freeman & Browne, 2004).

According to the literature, Group decisions positively depending on the group loyalty (Chung & Pysarchik, 2000). Usually, important decisions are taken after discussing with all of the executive group members. Relationship among group partners directly affect in enhancing job satisfaction which directly affects for making group loyalty. Gift giving and entertainments and developing harmony between group members are other necessary requirement for doing business activities with the good environment which can be existed further through group loyalty. In this study, we emphasize some important key factors and their influence on business culture and etiquettes (Fam & Merrilees, 1998) (Ramaseshan, et al., 2006).

Conceptual Framework

The conceptual framework in Figure 1 is proposed for the present study on a basis of the literature reviewed in this above section. As demonstrated in the framework, the business activities and participations in Sri Lanka are directly influenced by the cultural dimensions namely; organizational culture, collectivism, time perception and protocol.

Methodology

Study Sample

The assess of relationship between the business activities & participations and the dimensions of ethical corporate culture within the Sri Lankan context, who are representing the different business fields such as trading, investment trust, hotels and travels, footwear and textile, information technology, construction and engineering and beverage food and tobacco were selected. Altogether, 196 subjects, 108 men and 88
women, were participated in the survey. For ease of handling sample, unique identification number was assigned to each and every member based on their gender, occupation and ethnicity. Questionnaire was given in their native language (Sinhala and Tamil) as well as official language (English).

In selecting the respondents, the convenience sampling technique was applied. Several reasons guided the chosen sampling decision, that is, the study being exploratory in nature within the Sri Lankan context, similar studies have already been followed the same technique (Dubinsky & Ingam, T.N., 1984) (Redfern & Crawford, J., 2004) Hand-delivered method was used in delivering the questionnaires (Rathnayaka, et al., 2013).

The questionnaire was developed on the basis of an item pool which consisted of 72 items. Furthermore, responses were elicited on a five point Likert scale with anchors of completely disagree (1) to completely agree (5). Both questionnaires used in the present study have previously been tested and validated (Vitell & Paolillo, J.G.P., 2004) (Kaptein, 1998) (Rathnayaka & Wang, 2013, Rathnayaka, 2014).

Tests for Linearity, Normality and Multicollinearity

Before to test hypothesis, an adequate assumptions of normality, linearity and non-existence of multicollinearity are tested in order to use correlation and regression techniques (Dubinsky & Ingam, T.N., 1984) (Rathnayaka, et al., 2014). As a first step, visual methods such as Histograms of standard residuals, normal probability plots, boxplots and stem and leaf plot are used for checking the sufficient conditions of normality. In addition to that, visual methods such as scatter diagram, residual scatterplots and bivariate regression techniques are used to test the linearity assumptions relating to the all the selected variables.

Non-existence of multicollinearity is another significant assumption want to satisfy before fit the models. Theoretically, if VIF existed between 0 and 1, then non-existence of multicollinearity can be found for each and every variable. It means that data for independent variables are not significantly multicollinear with each other (Jayathileke & Rathnayaka, 2013).

All these test methods can be summarized as follows in Table 1.

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Statistical Test Method</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Linearity</td>
<td>Scatter plots, Residual scatter plots, Bivariate regression.</td>
<td>Assumption was supported.</td>
</tr>
<tr>
<td>Normality</td>
<td>Histogram of standardized residuals, Normal probability plots, Application of the central limit theorem.</td>
<td>Data for all variables Approximately normally distributed.</td>
</tr>
<tr>
<td>Non – existence of multicollinearity</td>
<td>Variable inflation factor (VIF)</td>
<td>Non – existence of multicollinearity found as the VIF existed between 0 - 1 for each variable.</td>
</tr>
</tbody>
</table>

Data Analysis and Discussion

Sample Profile

After rejecting the incomplete questionnaires, 181 valid questionnaires were used for further analysis purpose. The effective response rate almost exceeds 92%. With regard to the demographic characteristics of the respondents, the sample consisted of 69 (38.1%) Sinhala, 36 (19.9%) Tamils, 48 (26.5%) Muslims and 28 (15.5%) others (Burghers and Malays) who mainly speak Sinhala, Tamil and English languages and
are living around the capital city of Colombo. Of 181 respondents, there were 93 Male and 88 Female and the average age of the participants was 37 years, ranging from 22 to 68 years.

Validity and Reliability

A number of measures were taken to ensure the validity and reliability of data and finding of the study. Basically, the questionnaire was developed through the guidance of previous empirical studies and subsequently it was piloted before original data collection (Rathnayaka & Wang, 2012). Further, internal consistency of the measures was tested using Cronbach’s alpha and results are reproduced in Table 2.

Table 2: Result of Reliability Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>No. of Items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture</td>
<td>13</td>
<td>0.7654</td>
</tr>
<tr>
<td>Workplace collectivism</td>
<td>14</td>
<td>0.8731</td>
</tr>
<tr>
<td>Time perception</td>
<td>12</td>
<td>0.7891</td>
</tr>
<tr>
<td>Protocol</td>
<td>15</td>
<td>0.8754</td>
</tr>
<tr>
<td>Business Activities and Participations</td>
<td>18</td>
<td>0.8556</td>
</tr>
</tbody>
</table>

The result in Table 2 clearly shows that Cronbach’s alpha value for each and every variable was above 0.7. It indicates that, the internal consistency of the constructs is satisfactory and assured. Before conducting key analysis, normality and non-existence of multicollinearity are further tested. These tests reveal no evidence to suspect problem of non-normality and presence of multicollinearity.

Correlation Analysis

Table 3: Results of Correlation Analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Business Activities and Participations</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Organizational Culture</td>
<td>0.832</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Workplace collectivism</td>
<td>0.775</td>
<td>0.265</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Time perception</td>
<td>0.488</td>
<td>0.353</td>
<td>0.457</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>E. Protocol</td>
<td>0.503</td>
<td>0.243</td>
<td>0.126</td>
<td>0.296</td>
<td>1</td>
</tr>
</tbody>
</table>

Pearson correlation coefficients were computed to find out the relations between independent variables with respect to business activities and practices. According to the results in the Table 3, independent variables of organizational culture (r = 0.832, p<0.01) and workplace collectivism (r = 0.775, p< 0.01), are strongly correlated with the dependent variable business activities and participations as hypothesized. These findings are coincide and consistent with the theoretical and empirical contribution of previous studies based on various cultural frameworks (Sinnghapakdi et.al, 1995; Vitell et.al, 2003; Kaptein et.al, 2008; Karandakatiya et.al. 2014). However, the variables of time perception (r = 0.488, p< 0.05) and protocol (r = 0.503, p< 0.05), are not significantly correlated with dependents.

Regression Analysis

Since the correlation coefficients of the variables were significantly greater than zero and VIF values shows the non-existence of multicollinearity between variables (A = 0.43, B = 0.21, C = 0.71 ,D = 0.76 and E = 0.67 ), the data support the hypothesized relationship between each of the independent variable with the dependent variables. Thus, multivariate regression analysis was further used to validate the above results and explore the combined effect of independent variables on dependent variables.
As shown in Table 4, the proposed model, which is based on the independent variables of organizational culture, workplace collectivism, time perception and protocol significantly explain the variation with respect to the dependent variable of Business Activities and Participations. In order to assess the strength, multiple linear regression coefficients for each independent variables are computed.

The Table 4 results reveals that, except independent variable namely Time perception ($p > 0.05$), all the other independent variables have significantly affect for the business activities and participations in Sri Lanka. In fact, R square of the overall model is 0.563, which implies that 56.3% of the variance in business activities of the operational level employees is explained by the independent variables.

### Table 4: Result of regression analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>SE</th>
<th>t-value</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>3.4567</td>
<td>0.456</td>
<td>1.234</td>
<td>0.002</td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>1.196</td>
<td>0.126</td>
<td>8.321</td>
<td>0.001</td>
</tr>
<tr>
<td>Workplace collectivism</td>
<td>1.814</td>
<td>0.187</td>
<td>11.021</td>
<td>0.000</td>
</tr>
<tr>
<td>Time perception</td>
<td>0.176</td>
<td>0.153</td>
<td>1.25</td>
<td>0.234</td>
</tr>
<tr>
<td>Protocol</td>
<td>1.245</td>
<td>0.214</td>
<td>10.821</td>
<td>0.001</td>
</tr>
</tbody>
</table>

R-square: 0.563
F-value: 12.34 (sig F = 0.001)

As a next step, stepwise regression was done to find out the total explanatory power of the fitted model and to recognize the contribution of each independent variables with respect to the response variable namely Business Activities and Participations. The result of stepwise regression in Table 5 indicated that, there were only three predictor variables that could only significantly contribute for model fittings.

### Table 5: Result of Regression analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>$R^2$</th>
<th>Coefficient</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture</td>
<td>0.489</td>
<td>2.246</td>
<td>0.000</td>
</tr>
<tr>
<td>Workplace collectivism</td>
<td>0.583</td>
<td>1.974</td>
<td>0.000</td>
</tr>
<tr>
<td>Protocol</td>
<td>0.645</td>
<td>1.345</td>
<td>0.001</td>
</tr>
</tbody>
</table>

$R^2 = 64.5\%$  \quad  R^2(adj) = 62.4\%  \quad  D.F = 180  \quad  Sig = 0.001

As a next step, stepwise regression was done to find out the total explanatory power of the fitted model and to recognize the contribution of each independent variables with respect to the response variable namely Business Activities and Participations. The result of stepwise regression in Table 5 indicated that, there were only three predictor variables that could only significantly contribute for model fittings.

The result of stepwise regression analysis reveals that, organizational cultural characteristic had highest coefficient and contributed about 49.8 % to the variance in Business Activities and Participations. Furthermore, workplace collectivism and protocol contributed about 9.4% ($R^2$ change = 0.094) and 6.2 % respectively. These findings are coincided with the available literature which has been written based on collectivism cultural background in Sri Lanka (Karandakatiya & Qian, 2014) (Gunaratna, 2013) Moreover, findings empirically confirm the theoretical arguments given by (Trevino & Weaver, G.R., 2003) (Tyler & Blader, S.L., 2005) (Akaah, 1996) based on union effect on cultural changers.

### Conclusion

The present study reveals that the cultural dimensions such as collectivism, organizational culture and protocol are strong predictors for making business activities in the Sri Lanka. Moreover, collectivism with group loyalty has been identified as a dominant factor for successful business deals as well as to keep long-time business relationships with business partners. Based on these aspects, the cultural dimensions can be categorized as follows (see Table 6).
Table 6: Cultural values

<table>
<thead>
<tr>
<th>Cultural Values</th>
<th>Collectivism society</th>
<th>Individualism society</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expression of Agreement and Disagreement</td>
<td>Depend on group decisions</td>
<td>Independent decision</td>
</tr>
<tr>
<td></td>
<td>Express in circular way</td>
<td>Express in direct way</td>
</tr>
<tr>
<td>Communication of Information</td>
<td>Less important for privacy</td>
<td>High priority for privacy</td>
</tr>
<tr>
<td>Expression of Self</td>
<td>Group expressions as “we’”</td>
<td>Individual expressions as “I”</td>
</tr>
<tr>
<td>Negotiation</td>
<td>Circular</td>
<td>Linear</td>
</tr>
<tr>
<td>Decision making</td>
<td>Based on group decisions</td>
<td>Based on individual decisions</td>
</tr>
<tr>
<td>Nature of the Business Relationship</td>
<td>High priority for relationship</td>
<td>Less priority for relationship</td>
</tr>
<tr>
<td>Business entertainment and gift giving</td>
<td>Considered as important part</td>
<td>Considered as less important</td>
</tr>
</tbody>
</table>

Since this study was limited only to four cultural aspects, future studies may investigate and validate the findings of present study by using different type of related factors in the similar and different context.

References


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