### Risks Of Increasing Business And Culture Contracts Between Nations

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The first risk is,failing to understand local business practices.For an international business to thrive,local business customs are highly required. Failure to adhere to the full appreciation of how business is done in a foreign market may lead to backsliding of new entrants in the business. Secondly different and new opportunities may rise and fail to be identified,leading to missed opportunities in the market. Misunderstanding may emerge from different cultures causing other companies to withdraw from new markets prematurely. This ends up damaging relationships and leaving a legacy of weak commitment.

Another risk is poor management of human resource to local market.When local staff get employed in foreign firms,human resource policies should be adapted to show the cultural profile of local employees. Moreover, ways of solving conflicts and exchanging feedback differs across cultures with effective impacts.Stakeholders' disagreement is also a risk.This heightens value conflicts,reasoning and decion-making differences.It also stifles the exchange of information and ideas,making communication a barrier in the market.

Assignment failure is another risk.Research indicates failure rates of 25 percent and even up to 70 Percent in other regions.At an individual level,the expatriate may lack self-confidence.This is sometimes caused by stress,marriage strain or even break ups. In addition to that, assignment failure has negative impacts for jobs and careers(fever,2021). The main expatriate failures factors are difficulties with cultural adaptations such as lifestyle changes,spousal adjustment, interpersonal conflicts or local business practices.

Failure to adapt the business model into the local market may bring up another risk to the business.This is brought about by inability to correspond and identify regional culture boundaries. A weak market may be brought about by ignorance of cultural differences which may result to losses and reputational damage. When a firm moves into a new market,business models are likely to be modified, for example service offerings,pricing and marketing. This puts foreign businesses in high risk of failure due to occupation of local cultures.As a result,they may end up selling there operations to a local competitor.

Another risk is failure to comprehend with local legal and ethical issues. Business companies face a complex web of both legal and ethical issues. For instance;Hermes lost a trademark case in China after a fifteen-year battle with local company Foshan in 2012.Some years back (1995) the registration of Foshan's trademark had a same pronunciation but it was written in a different form to that of Hermes name in Chinese. When this happens, foreign companies are forced to seek other means of fostering trust.

Ineffective diversity management is also a risk.Diverse teams may either increase or decrease from a firms performance. Diverse work groups may experience massive conflicts and low trust.Firms need to check and control wisely the cultural conflicts,any form of bias or discrimination among the team,this is because diverse workforce may face costly discrimination claims. The issues of diversity range from country to country,but are most likely to be more complex outside the united states.

A more likely risk is the failure to identify differences,both regional and subculture. Within upcoming markets, there are upcoming regional ranges,in preferences made by the customer and condition of the market.Subcultures have no limits to either ethnics or regional variations.For instance, the consumer profiles of males and females differ in the united states.Although females account in a higher percentage of marketing campaigns and retail purchases often overlook the differences in both male and female consumer behavior and thinking. In addition to that,female consumer habits range across ethnic and the groups they occupy.The significant consumer parts, are missed out by firms that do not recognise the cultural diversity of their markets.Amplification of cultural barriers is done within a national context because they are taken to be irrelevant. However,research has proved that social integration is a challenge in local context than in international context.

Loss of national identities is also a risk.Most people are completely against international companies because they end up dominating some habits such as eating and fashion trends while others think that culture and dressing style is best compared to others because of nature and health(fever, 2021). Moreover, prove shows that large number of minority languages are on the extension as people prefer to do business practices and communication using a tongue like English. This represents a threat to the national business and culture.

Ignorance of cultural differences may also result in a weak market share,low or negative return on investment. Opportunities may also be missed and even reputation may be ruined in the process.This outspaces the ability of organisations to manage the accompanying cultural shifts.This may bring unwillingness to work with others in a firm,as it brings about biasness which may be hard to overcome. Lack of awareness about different cultures may bring about cultural differences. That involves more than awareness of ranges in language, customs and even the appearance which are mostly overlooked.

In summary, increasing business and culture contracts between Nations is very risky as it brings about many negative impacts, such as, misunderstanding between the parties involved and this results in weak market poor management of human resources in the local market and even damaging relationships and leaving a legacy of weak commitment.

### References

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