

Question No.5 Write short notes on of the following:
a) Socio cultural Environment



Solution: Business is as much a socio cultural phenomenon as it is an economic activity. Per capita income in two countries may be the same, yet the consumption patterns in these countries may differ. Socio cultural forces have considerable impact on products people consume; designs, colours and symbols they like; dresses they wear and emphasis they place on religion, work, entertainment, family and other social relations. Socio cultural environment influences all aspects of human behaviour *and* is pervasive in all facets of business operations, Culture can be defined *as* a “sum total of man’s knowledge, beliefs, art, morals, laws, customs and any other capabilities and habits acquired by man as a member of society.” *It* is a distinctive way of life of a group of people, their complete design of living. Culture thus refers to a man’s entire social heritage – a distinctive life style of a society and its total value system which is intricately related to the consumption pattern of the people and management philosophies and practices.

Furthermore, within each culture there are many *subcultures* that can have business significance. Subcultures are found in all national cultures and failure to recognize them may create impressions of sameness which in reality may not exist. A single national and political boundary does not necessarily mean a single cultural entity. Canada, for instance, is divided between its

French and English heritages, although politically the country is one. Because of such distinctive cultural division, a successful marketing strategy among the French Canadians might not effectively work among the English Canadians or vice-versa. Similarly a single personnel policy may not work with workers employed in two different plants if they belong to different sub-cultural groups and differ in their work habits and underlying motivations.

Some of the important elements to understand a country's culture are: language, aesthetics, education, religions and superstitions, attitudes and values, material culture, social groups and organizations, and business customs and practices.

A person dealing with people from different cultures should be well aware of differences in the number and nature of stages involved in business negotiations and formalities to be observed in concluding business contracts. While in countries like the United States it is necessary to have final agreement in writing, this practice is not much appreciated in many West Asian countries where oral agreement alone is considered more than sufficient