

Culture is a manifestation of people's norms and practices in the society. People's cultural orientation is manifested in the way they behave and carry out their activities. Cultures vary across communities and nations. ¹ Each country in the world subscribes to specific beliefs and value system that separates it from another country. In business, culture is an important element since it influences its strategic direction. Culture influences most management decisions and business functions within organizations (Astrakhan & Chepurensko, 2003). Business culture involves organizational behavior, work ethic and etiquette. ¹ Business culture encompasses values, beliefs, working style, visions and habits of its people. This paper explores cultural determinants in Russia and how they determine whether an export business can be carried out in the country. It explores the governmental, compliance and security requirements that precede foreign business operations in Russia. It highlights the various action steps that can be employed in carrying out business in the country. Finally, it recommends government or private assistance as well as resources needed to streamline business operations in the country.

Cultural determinants influencing business in Russia

The success of any business organization is contingent upon a vibrant business culture. A strong business culture attracts business opportunities. ¹ It underscores the values that the business stands for. A positive business culture is magnetic in the sense that it holds people together within the organizational framework. It encourages participation and commitment within the workplace. This business culture is developed through dreams, visions, plans and purpose. ¹ Hofstede (2000) identified five dimensional models of cultural differences. These dimensions

include power distance, individualism versus collectivism; masculinity versus femininity and uncertainty avoidance.

a) Power Distance

This dimension refers to how a society or culture accepts differences between people. This can be in the workplaces or political environments. ¹ This dimension regards the extent to which less powerful people or members of the organizations expect that power is distributed equally in the society. High power distance cultures places seniority and authority over leaders. These leaders are acceptable as people who should be respected (Hofstede, 2000). Senior people are regarded as father figures who should be obeyed by the lower members of the society. Subordinates expect to be given orders from the higher members of the society. On the other hand, low power distance cultures accept that superiors and subordinates have equal powers. Respect of equality is a warranty of freedom. Subordinates and superiors have the freedom to speak freely about the various issues on governance, politics and economy. The Russian culture is gravitating towards low power distance since it promotes participation at the workplace. However, there is an understanding of whoever is in power. ¹ Power distance is described on the basis of the value system of less powerful members of the society. The behavior of the more powerful members of the society explains the distribution of power.

b) Individualism versus collectivism

This dimension focuses on the tendency of people to take care of themselves as well as their immediate members of the family at the expense of the overall society. Self-realization is the basic drive in individualistic cultures. Competition is dominant in such cultures because individuals aim at winning through initiation of individual activities. Certain countries promote individualism from the perspective of individual rights and democracy to entrepreneurial zeal.

Like the United States, Russia is an individualistic society. ¹ This dimension of culture explains the degree to which a person should look at himself as an individual at the expense of the group. On the flipside of individualism, there is collectivism. In this regard, the individual submits the group. The group has the responsibility of taking care of individual members (Hofstede, 2000). In such cultures, collectivist pronouns are emphasized they include 'we' and 'us'. People tend to pursue common goals and values that make it difficult for outsiders to penetrate. ¹ The opposite of individualism is collectivism. In collectivism, a person looks at the group first then looks at the individual. In collectivism, people are born in large clans that protect the members in exchange of loyalty while individualism assumes that every society should take care of itself and every individual should take care of himself.

c) Masculinity versus Femininity

This dimension concerns how a society perceives masculine or feminine traits. Culture ranks on traditionally perceived masculine values. These values include assertiveness, materialism and less concern for others. The gender roles in masculine cultures are crisply defined. The focus of men is on ambition, material success and performance. Men exude confidence and toughness while women harness modesty and quality of life. ¹ Male members of the society get jobs that require more energy, responsibility and power (Hofstede, 2000). Feminine cultures underscore feminine values. These cultures express concern for all and places stress on the quality of life. Swapping of role by both genders is a characteristic of feminine cultures. ¹ Femininity describes a situation where social roles are largely similar and comprises principles such as compassion and emotional openness. Masculine and feminine cultures exhibit equality of roles. Gender equality is often championed by the civil society and other human rights groups. In some countries, the laws stipulate the proportion of gender various functions

and responsibilities in the work places. Russia is a moderate and has both masculine and feminine elements dimensions of cultures manifested in the wider national culture (Ledeneva, 2006).

d) Uncertainty avoidance

This dimension refers the capability of a society to accept uncertainty. Cultures that exhibit high uncertainty avoidance tends to avoid conflict and competition. Such cultures follow clear instructions about what should be done and what should be avoided. In the workplaces, there are clearly defined rules and rituals that people follow to get work done. Stability and tranquility is cherished in such cultures. Companies exhibit preference for decisions that have low risks attached to them while employees in such workplaces do not exhibit aggressiveness (Hofstede, 2000). Conflict resolution mechanisms are well documented to help in resolving conflict in the most amicable ways. Cultures that exhibit low uncertainty avoidance are characterized by high risks. Companies in such cultures are less formal and less structured. Examples of such cultures include Singapore, USA, Russia and Australia. Such cultures experience rapid growth because of the ability to make high risk decisions that are usually accompanied by greater gains.

Governmental, compliance and security requirements

The major regulatory body is the state chamber of registration. Businesses in Russia takes place with authority from the state chamber of registration. The authority issues license to the interested business organizations upon meeting requisite governmental, compliance and security requirements (Astrakhan & Chepurensko, 2003). Issuance of license is done at the federal and

regional level after approval from the relevant bodies. The Federal law on foreign investment has various restrictions that can affect business in export and import business in Russia. These laws bar foreign investors getting control of the key industries in Russia. The specific industries include extraction and defense industries. The law specifies the terms and conditions upon which export and import activities takes place in Russia. For the first seven years of operation, the law protects unhealthy changes in tax and customs (Fey & Shekshnia, 2011). Foreign investors have some advantages while operating business in Russia. Damages that may occur due to illegal actions of the federal or local authorities are recovered. The law also protects property from seizure. Protection is also granted when negative changes in tax and customs occur during payback period of an investment project.

Action steps required to initiate export/import activities

Starting export business in a foreign requires undertakings various actions. The process of establishing a running business is accompanied by various guidelines that must be followed for the eventual success of the business. To initiate export/import business activities in Russia, the following action steps would be vital:

i) Market research

The basis of any business undertaking relies on the market research. Market research offers a business organization the opportunity to assess the viability of conducting business in a given area. The research analyzes the existing strengths, weaknesses, opportunities and threats that may boost or derail the prospect of business (Galkina & Kock, 2014). This research helps the management of the company to make the right decisions on whether to set foot in a foreign

country or concentrate its resources and expand within the host country. A proper research would identify the existing gaps that the company can exploit to give it a competitive advantage over its rivals in the market.

Developing business and marketing strategy

The goal of every business is to make profits and expand its jurisdiction. This realization is preceded by a successful business and marketing strategy. The strategies should document the necessary undertakings that the business organizations need to employ to achieve its goals. The business strategy would follow a well structured business plan that details the extent and scope of business in the new country of operation (Galkina & Kock, 2014). A marketing strategy explores the various ways through which the business would ensure maximum sales in the products and services it seeks to undertake in the new country.

ii) Compliance

Operating in a new country requires total compliance to the existing legal, environmental and business requirements (Ledeneva, 2006). Russia does not allow foreign companies to operate without the requisite licenses. In this regard, companies that seek to operate in new markets must ensure that the existing producers for compliance are met.

Governmental and private assistance and resources needed to streamline business

Russia has a great potential in apparel, refinery equipment, aviation, automotive and agricultural equipment. These resources make it possible for export businesses to thrive. The business culture in Russia is progressive. It requires emerging businesses to accumulate enough resources (Business, 2014). Export business in Russia involves commitment in time, personnel and capital. Entering the Russian market would require that these resources are made available.

To streamline business activities in the country, these resources are mandatory for any company that seeks to exploit the Russian export market. Companies should outsource human resource personnel within the Russian human resource spectrum to enable them adopt the Russian business culture within the shortest time possible.

The private assistance needed include liaising with potential partners to carry out a comprehensive market research and analysis to determine the existing gaps that would facilitate rise in the company's growth. The market research and analysis should be carried out prior to the start of business and in relation to the business activities of the perceived competitors of the company (Ledeneva, 2006). Additionally, the existing U.S. companies in the Russian market can be consulted to find out areas that need adjustment. The governmental assistance that is needed to carry out successful business is the protection of foreign companies against unfair competition by local companies. The government can achieve this role through enactment of various legislations that encourage foreign investment.

Conclusion

The individualistic nature of Russian culture encourages competition. Foreign companies that seek to exploit the Russian export market have an opportunity to utilize the enabling cultural environment to realize gains. Establishing an export business in Russia encompasses various actions steps that include market research, business strategy, marketing strategy and compliance. However, this establishment is preceded by adherence to governmental and security requirements that ensure fairness in the competitive export industry. Going forward, Russia presents a potential business opportunity that foreign investors should exploit.

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