The Significance of Religion in International Business

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All around the world business is structured differently. Even in the same countries, there are cultural differences that have an impact in the business world. One significant cultural difference that cause diverse strategies in the business world is religion. Religion can affect business through different beliefs, traditions and faith. In the western world, business people are not as proficient when it comes to being intercultural. Religions, such as Shinto, Hindu, Islam, and Buddhism can be difficult to understand. It is valuable to learn these religions for better cultural awareness in business. This cultural awareness can help develop a productive business relationship with those business men and women in other countries, as well develop an understanding of the consumers of certain religions in different countries. Those people who are involved in business internationally should realize the importance of cultural differences of religion to develop a better sense of the nations they will work with.

In a world that is always growing and modernizing, religion has to keep adapting to the modern business world. Shinto is a religion that is primarily in Japan. U. Yoshimi, a director general at the International Shinto Foundation, discusses the role of Shinto in Japanese culture in the present and future. Yoshimi describes what Shinto is in his speech at Korea University, saying:
It is an ethnic religion which has continued from ancient times in Japan to the present; it permeates all aspects of the life and culture of the Japanese people… In origin it is a complex of ancient folk belief and rituals, a basically animistic religion that perceives the presence of deities or of the sacred in animals, in plants, and even in things which have no life, such as rocks and waterfalls. (Yoshimi para. 1)

Faith has always been important in Shinto, but during the modernization of Japan the rulers of Japan thought it was important to keep Shinto the traditional faith of Japan. They built what were called “State Shintos”, so the Shinto temples could be in locations the people were (Yoshimi para. 10). The history of Shinto is significant. It is useful to know important factors of Shinto today. In the modern Japanese business world, Shinto is in constant use. Shrines are set up all over Japan, to allow the Japanese businessman or businesswoman can connect with “Kami”, which is what the spirits are called in Shinto. In past times, Shinto priests may have blessed things such as, children, farmers, fishermen or their boats, but now in modern times, items such as cell phones, laptops, business plans, cars or even entrepreneurs are being blessed..’

B. Ashcraft, author of “Gadget Blessings: Shinto Priest Protects Electronics from Bad Mojo”, writes about his story of getting a piece of technology blessed. Ashcraft describes in his article a visit to a Shinto shrine, “I've come to the 1,270-year-old Kanda Shrine in Tokyo to purify and bless something very near and dear to me: my cell phone” (para 2-3). Even a non-living item, such as a cell phone can still be purified by Shinto priests. Since the Shinto religion is a major part of many business men and women in Japan, it is very important to have a Shinto shrine close by. Business people that are from other countries will find it easier to connect and communicate with Japanese business people if they have a well understood view of Shinto. It is also important for consumers’ to have close-by shrines. Consumers’ can get their new items and
gadgets purified in the shrines. Business men and women with the understanding of Shinto will have a better view of the Japanese culture, therefore making it easier to sell their products/services. In terms of the religion of Shinto, it is evident that religion is still a factor of economics with consumers and producers. Producers whether they are from Japan or another country have to market and sell their products and services to the Japanese people when in Japan. They would be marketing to people that value their religion, tradition, and faith. Authors J. Tsalikis and B. Seaton, both associate professors of marketing at Florida International University discuss this in their article, “The International Business Ethics Index: Japan”. They state in their article that “the overwhelming majority of Japanese consumers belong to a single ethnic group, and … this Shinto-based consumer group is located exclusively in Japan” (Tsalikis & Seaton, 2007, p. 380). It is important for business men and women of different countries, marketing and selling to the Japanese people, to understand the ethics and traditions of the Shinto religion.

Another company that uses a religion to market towards their company is Air India. Air India is a travel company, with flights traveling from India to other nations or some flights are completely international. Air India markets the religion, Hinduism, to its customer. Throughout Air India’s website, symbols and pictures of Hinduism are used. The comical man in Figure 1, is a

Figure 1. This figure above is an example of a company that uses their culture, specifically religion, to market their products and services.
Maharaja, which is of the Sanskrit language. Maharajah means great king. Sanskrit is the major language for those of Hinduism. Although, he is a symbol of Hinduism, he is also a selling point to customers of their products or services. He is there to make international travelers feel comfortable, and possibly excited about India’s religion. For national travelers, he is there to be relatable. Those who are Indian or those who are practicing Hindu recognize the man, and his importance to their religion. It is essential for those who are working internationally to understand religion of the nation’s that they are working with because it can help them advertise and market their own products and/or services.

In Asian culture, history and tradition significantly shapes the ways of religion today. In the business world, the traditions used in some of the most popular religions in history are still prominent today, especially in China. In China, the two most popular religions, Taoism and Buddhism, are based on a sense of peace and tradition. One tradition, Feng Shui comes from Taoism, which is considered the primary religion in China. The tradition of Feng Shui is important to many. Here, the origin of Feng Shui is described:

Feng shui’… is the ancient Chinese art of balancing energies by using placement, design and the arrangement of space in order to integrate people, buildings and the landscape into one harmonious whole… The practice of Feng Shui is thought to be over 3000 years old, and has its origins in Taoism. (“Feng Shui”, 2007).

The practices of Feng Shui are not only being used by the businesses in China, but people in western countries are adopting these practices as well. Many are changing their offices to accommodate with the practices of Feng Shui, hoping that it will bring happiness, good luck, or just a good overall energy. The tradition of Feng Shui is significant to many people. It is useful to know Feng Shui and its importance for productive communication and to keep those who use
Feng Shui is used in the work place, in the businesses and offices, but it is also used outside the work place. Feng Shui is used on consumers, to market certain items and to impact consumer choices. In the article, “The Influence of Lay Theories of Feng Shui on Consumers’ Peace of Mind: The Role of the Regulatory Fit”, the authors S. Ho, a department of business administration head at Providence University in Taiwan and S. Chuang, a department of business administration head at Overseas Chinese University in Taiwan, find that when Feng Shui is used in a business, consumers feel that they “fit in”, as well as it creating a better peace of mind and creating a sense of appropriateness. The researchers found that the consumers’ decisions were affected through Feng Shui, and that the Feng Shui created a regulatory focus, which created an improved peace of mind. Ho and Chuang describe the results of their first study, which had 116 participants aged from 20-25 years old. They proved that “the participants in the fit conditions rated the Feng Shui practice at a higher level of acceptance than participants in the non-fit conditions” (Ho & Chuang, 2012, p. 307). Since consumers feel more at peace with the use of Feng Shui, they would be more likely to purchase items or services. Ho and Chuangs’ third study demonstrated that, As predicted, these results demonstrate that when the Feng Shui advice fits participants’ motivational orientation (eagerness/promotion vs vigilance/prevention) they were willing to pay more for it (2012, p. 310). Not only are the consumers more likely to purchase an item or service when there is good Feng-Shui, but they are willing to pay more for that item or service. Feng Shui is a tradition, and it proves that religion in business is important in many cultures.

Many religions, as I have expressed, are centered around traditions, faith, and beliefs. Another important attribute to religion are the morals and ethics belong to a religion. With many ethical issues in the workplace, many people hope for anything that would improve people’s
morals in the workplace. Many people in the business world can be motivated by their own religion’s ethics. For example, people of Christianity try to follow the word of God, and by doing that, they are usually being ethical people, which is very important in the workplace. D. Kim, D. Fisher, and D. Mccalman, authors of “Modernism, Christianity, and Business Ethics: A Worldview Perspective”, discuss the perspective of the modern world’s ethics and values in a business atmosphere. As society grew economically, moral business choices were not asked in the act of god, but asked in the act of the growing economy. If stealing obstructs the functioning economy, then it is wrong, but not because the Ten Commandments state stealing is wrong (Kim, Fisher, and Mccalman, 2008, p. 117-118). It is important to know why people ultimately make their business decisions. This article states that as we become a world of business, we tend to make our decisions without questioning our religious morals. The authors write that if “given the challenge among business ethicists and business leaders to create a more ethical environment, ethics research from a Christian viewpoint may offer insights that promote morality in the workplace. (p. 120). These authors believe that with Christian morals and beliefs, it could help improve the business world. Ultimately, business men and women are worried about the goal of a business which is profit. This goal can compromise the morals of many business people. When people are thinking economically and not using the ethics of their religion, economic decisions may be coming out to be expedient, rather than morally wrong. In the article, “Toward an Understanding of Religiousness and Marketing Ethics: An Empirical Study”, the authors J. K. Marta, K. C. Rallapalli, C.P. Rao, and A. Singhapkdi find that the religiousness of a marketer can explain their view on ethical/ behavioral problems. Another finding is that a marketer can be affected by their personal religion. The results of their study shows that the religiousness is a factor of a marketer’s personal moral philosophies. The researchers find that “the results indicate
that there is a strong positive relationship between a marketer's religiousness and his or her degree of idealism; relative to their counterparts, the more religious marketers tend to adhere to moral absolutes when making moral judgments” (Singhapakdi, Marta, Rallapalli and Rao, 2000, p. 309). This is another example of religious morals that shape the way a business person handles situations. Typically religious people have a tendency to stick to their moral ways when making business decisions.

Buddhism is a large religion which values ethics and morals, as do most religions. They follow the eightfold path, similarly to The Ten Commandments followed by many Christians. H. Norberg-Hodge, director of the International Society for Ecology and Culture and winner of the 2012 GOI Peace Award, discusses the change of Buddhism and how it has been affected from the changes of industrialism. She goes to discuss what motivates the global economy today: monetary actions, while non-material things, such as family, spiritual values, community are usually disregarded. She writes, “The focus on monetized social relations is echoed in the belief that people are motivated primarily by self-interest and endless material desires” (para. 2-5). Norberg-Hodge helps further the point that economic actions can lead many material things and unethical morals. The large modern economy will lead to selfish acts, usually unethical to receive material things and/or power. Another thing discussed is the destruction of cultural diversity from the construction of modernized economy. She explains that “if globalization is bringing monoculture, then it’s most profound impact will be on the Third World, where much of the world’s remaining cultural diversity is to be found.” (para. 4). This is why cultural diversity is very important to respect. Culture differences, one difference being religion, help shape business in many countries. She believes that the globalized economy ignites ethnic conflict. Buddhism can help end the conflicts that are caused by the global economy. If our
global economy turned into more of a Buddhist economy, the world would be more compassionate and sustainable (para. 8).

Buddhism is a peaceful religion, full of ethical values and it is among the largest religions. Buddhism is widely practiced in Asia in countries, such as, China, South Korea, and Japan. As I have previously wrote, Japan is a spiritual country, where Shinto is very popular, but Buddhism is the more dominant religion. Buddhism values the trait of being honest. People of Japan expect business leaders and business people to be ethical in the business world. Many would expect the business people of Japan to act ethically in a business, especially since many Japanese people belong to the faith of Buddhism, but that is not always the case. Authors Tsalikis and Seaton have found that Japan has not rated so high on the Business Ethics Index. These researchers found that Japan fell on the negative side of the Business Ethics Index at a 99.1, which is on the negative side. The study of Tsalikis and Seaton calculate the Business Ethic Index scores by interviewing 1000 respondents of certain countries with business occupations on their own past and future ethic choices and decisions and on the media’s past and future ethic choices and decisions. As the Japanese business people look towards the future of their personal and vicarious ethics, they are on the negative side, under the score of one hundred (p. 381). The concept of economic decisions exceeding religious morals proves true in this study. As a religious nation, Japan would be expected to have high moral values. The researchers write that, “Japanese corporations misbehaving has negatively affected the national psyche” (p. 383). Overall, Japan had negative ethical scores, which affected the views of Japan itself and the views that other nations had of Japan. Japan may be seen as a religious nation with low ethical values, which means that religion does not always have a positive effect in the economy, but rather no effect or possibly a negative effect.
In global business, some situations can occur where to one religion it is unethical and wrong, but to another religion it is acceptable and even ethical. One example of this is Islamic banking. Islamic banking S. K. Kazmi is a way of banking that follows the Islamic way. A clear background is provided by, in the article, “Islamic Banking” from the publication of “Pakistan & Gulf Economist”:

Islamic banking is consistent with the principles of Sharia law and its practical application through the development of Islamic economics. Sharia prohibits the fixed or floating payment or acceptance of specific interest (Riba) for loans of money. Investing in businesses that provide goods or services considered contrary to Islamic principles is also Haraam (Sinful). Although these principles have been applied in varying degrees by historical Islamic economies due to a lack of Islamic practice, only in the late 20th century were a number of Islamic banks formed to apply these principles to private or semi -private commercial institutions within the Muslim community. (para. 1)

Islamic banking is not only in Middle Eastern and Asian countries, but it has also been adapted in other nations, such as America. La Riba is the largest Islamic company in America. The primary website for this Islamic banking website advertises Islamic Banking through religious pictures and symbols, such as a mosque. The main goal of this website is to educate users of this website on interest-free, Islamic banking, and to advertise their bank through their own religion. This large Islamic bank proves religion is important to the economy, especially the financial world, and not only to countries that are predominantly Islamic, but to other international countries as well. Bank Islam Brunei Darussalam is a bank in the nation of Brunei, located in Southeast Asia. The website of Bank Islam Brunei Darussalam is much different than La Riba, the previously mentioned Islamic bank in America. The website of Bank Islam Brunei
Darussalam is less educational and is more about the financial aspect of Islamic banking. The website has pictures and links that a normal banking website would have, while marketing their religion through pictures of mosques, and women bank tellers in hijabs. It is very important for bank of certain religions to market their service through religious symbols and pictures because religion is important to them, as well as their customers and it can inform others on their religious companies.

Although Islamic banking has many religious objectives, the main goal, as other religious companies, is profit. Earning the maximum profit is the largest goal of any business, even many religious companies. In the “Bank-specific Determinants of Islamic Banks Profitability: An Empirical Study of the Jordanian Market”, the author I. Z. Ramadan, an associate professor from Applied Sciences University in Amman, Jordan, studies the causes that affect the profitability of Islamic banks, specifically in the country Jordan. Islamic banks have the goal of high profit, usually achieving this through high returns on investment (2011, p. 73). Companies from different nations with different religions use their religion to help their own economic goal. In the example of Islamic banks, their religion even helps their profitability. Ramadan reported that, “Islamic Banks began in Jordan three decades ago, and currently there are four Islamic Banks in Jordan with total assets of approximately 12.3% of the total assets of the Jordanian Banking Industry. These banks possess about 14.1% of the total deposits of the Banking Industry and 17% of the total credit granted by the banking industry” (p. 73). The four Islamic banks with 12.3% of the total assets of the Jordanian is a large percentage, and it shows that religion of Islam is slightly beneficial to the owners of these Islamic banks. There are many other factors that help the economic growth of these Islamic banks. One other factor is the location of the Islamic banks. The researcher found that economic growth of Islamic banks can be significantly
affected from where the bank operates (p. 76). In Jordan, location can be the key to a high profitability. Depending on the primary location of those who practice Islam, the location of the bank can be greatly affected. The religion of Jordan largely changes the economy in Jordan, specifically the banks. Islamic banks use their religion to help benefit the large and primary goal of a business, profit.

Religion is essential in the global economy. Although religion is not in any economic theories, it is still important today in many business. Religion affects the business men and women, therefore it is important to understand different religions for better productivity and communication. Religion can also affect the consumers of a business. Understanding religions is important to understand the consumer’s view. It is evident that religion is incredibly significant in today’s economy.
References


