MULTICULTURAL MANAGEMENT IN MULTINATIONALS –A POOL FOR PROFICIENCY IN GLOBAL BUSINESS

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ABSTRACT

Every society and nation has its own culture and it reflects in their business culture. It is important for business organizations that employee follows the same tide of business culture. Cultural awareness is considered as fundamental aspect of business organizations in the era of technological change and advancement. The role of HR is to ensure a smooth flow of work environment irrespective of cultural differences. Employees from different cultures and from different corners of the world come and work together in the global business. But they observes, interpret and evaluate things in different ways, when they are working abroad. The employees take different approaches in reference to time, management, conflict and decision making. It is the task for multinational business organizations to inculcate, develop and promotes an attitude of cultural sensitivity and cultural awareness in order to maximize the potential of all employees. It ensures a positive and inclusive working environment for respective business organizations. Management of multinational organizations helps to resolve many poor performances in global business

KEYWORDS Business Culture, Multi Culture, Cross Culture, Management of Multi Culture, Communication of Multi Culture

INTRODUCTION

Business culture of a country is a reflection of the various norms and standards followed by its people. A sound knowledge of cultural practices and business etiquettes are necessary for any trade or business venture. A proper understanding of culture and business etiquettes would not only demonstrate a respect but also create feel good factor amongst the stakeholders. Human resources with multi culture understanding and cross cultural sensitivity and skills are more in demand in global business. The fast growth of science and technology has brought about sweeping changes in internationalization and globalization of business. The cultures are increasingly interacting with one another in technological advances in communication and transportation. The business of multinational organizations developed the issues of multicultural management and cross-cultural problems and that have been highlighted in present global market.

Culture means the whole set of social norms and responses that condition people behaviour. It makes one social environment different from another and gives each a shape of its own. Culture is the set of rules and bahaviour patterns that an individual learns but does not inherit at birth, it is acquired and inculcated. Culture consists of ways of thinking; feelings and reactions mainly through symbols, constituting the distinctive achievements of people. The culture could be described as the personality of the society. According to Rhonda J. Stanton in Society for Technical Information, multicultural communication is important for business because of an increase in international trade.

Customary beliefs, social norms, values, material traits, and behavior patterns transmitted from generation to generation that distinguish groups of people. Cultural background affects communication. •Cultural diversity in the workplace and in the marketplace has increased. •Greater understanding of the connection between culture and communication is necessary.

Every business firm has its own business culture. It is a representation of society of that particular country.The norm and behavioural responses develop into a different cultural pattern that gets passed down through the generations with continual embellishment and adoption. Culture encompasses a number of people who are conditioned by the same education and life experiences. It would not focus on aspects that are most highly developed. Cultural differences might be expected to result in different ways of behaviour. Cultural differences might be expected to result in different ways of managing human resources placed abroad across various countries. The subtle process of inculcating culture through example and reward or punishment is generally much more powerful. It direct instructions and employees un/willingly and un/knowingly adopts the cultural norm.

Minimizing Cultural Differences

A language is inextricably linked with all aspects of business culture. The business speaks about the value to employee in its language. Culture is largely through languages, may be spoken or written as it is of the embodiment of culture. It involves interpretation of the cultural patterns and concepts of one country in terms of the patterns and concepts of

another. Communication does not always take the form of language. The communication and each culture may differ in the way it experiences and uses time, space, relationships and a variety of other aspects of culture. The use of time may convey quite different meanings in different cultures. In case of meetings, different messages may be conveyed by the amount of meeting notice and agenda circulated. The conduct of meeting may convey the time of departure and invitations to future commitments or the way in which a party agrees to the order of discussion at the meeting.

An important concept of multicultural communication involves forgoing the idea that your culture is right and other cultures are wrong. Stanton advises in her Society for Technical Information article that effective intercultural communication involves knowing what your audience expects. Operating difficulties can arise when workers from an agrarian peasant society are required to accept the kid of scheduling of time and routine essential for efficient industrial operations. In most agrarian societies, work is not equated with time and is not regularly and precisely scheduled. Work is geared to seasonal emergencies; climatic time schedules or deadlines will evoke positive response in certain cultures and a negative response in others. Neil Payne, an intercultural communications professional, says on Culturosity that demonstrating effective multicultural business communication helps to reduce the number of misunderstandings. Payne advises one way to create more effective communication is through teaching intercultural awareness.

The business cultures have different norms for the appropriate geographical locations for a given type of interaction. Middle Easterners and Latin Americans stand much closer that Western Europeans. The size of an office in relation to other offices conveys a great deal about the status of an American executives. In the Arab world the size and location of an office are poor indicators of the importance of the person who occupied it. Because of the differences in business culture, employee in call centres need to provide voice/accent training, software engineers have to be trained in basic business etiquettes and business communication skills. But these programmes need to be tailored by those understand the local as well as parent organizations business culture.

Multinational business firms have a special need for cultural sensitivity and adjustments. Cross national transfers of old products or standard company practices may represent a local innovation. The multinational firms may encounter unexpected problems because it is an unwitting agent for transplanting aspects of one culture into another. International business firms are needed cultural adjustments at two levels i.e. the national and the multinational. The issues at the national level might be characterized as bicultural. The international business firms must coordinate and integrate business activities that are operating in many different cultural environments. The problems are both horizontal across many cultures- the vertical-between each subsidiary and headquarters. An important aspect of multicultural communication involves understanding the

perception of nonverbal communication cues, such as tone of voice and eye contact. Different cultures perceive these communication cues differently. For instance, one culture might view a raised voice as an indicator of important information, while another views the act as a display of anger.

Ethnocentrism and Parochial Attitude

Ethnocentrism and Parochial Attitude is the response of employee to cultural differences. Most of the employees have tendency to think that their culture and way of doing work is the best way. These employees see any deviation from their culture or from the way of doing work as distortion or as a mistake or wrong way. Normally Americans, Japanese, Chinese, Germans, French, Scandinavians and Russians have tendency to follow ethnocentrism as compared to Asians, Latin Americans, British, Australians, Africans and Indians. It observed that ethnocentrism is often ingrained into almost all cultures. It happens because every dominant culture tends to think of itself as the centre of the world.

On the other side parochial attitude refers to a person's inability to see cultural differences. Normally employees those are sent abroad often meet people those are also dressed suit and speak their language. This promotes and makes them think that all others are just like us. Most employees tend to dress similarly particularly in suits and other formulas and talk in English. It does not mean that all people have the same culture. Normally people see the surface and assume that the other person shares the same cultural values. Normally employees from United States or United Kingdom tend to display a strong parochial attitude.

Cultural Assessment

The impact of cultural differences on international business makes quite clear. Employees working abroad need skills in cultural assessment on the part of the international business. The management specialist should at least developed skills in assessing the key cultural elements that will have a direct bearing on effectiveness. There is no one method to adopt domestic business culture or in making cultural assessment as a basis for specific business decisions. Understanding cultural differences, accepting changes and avoiding cultural bias could prove better methods of cultural assessment.

1   Cultural Differences:

The most common approach to cultural assessment is a partial approach confined to study particular aspects of a culture. Partial approaches are less powerful than comprehensive approaches that endeavour to identify and classify an entire range of cultural differences. In examining cultural pattern, employee should be aware of similarities as well as differences. Cross-cultural analysis for international business tends to emphasize differences because than actually exist can also cause serious difficulties. But to err perceiving more differences than actually exist can also cause serious difficulties. The observed cultural patterns may be representative of a national group yet not applicable

to everyone in the group. There may be a wider range within a given society than between societies for some cultural characteristics. Organizations should be careful always to define the limits of the group that is of interest and still be prepared to allow for individual differences.

Employees rank and title are important in India but not in American business culture. Business culture where the rank and title of job are not important, subordinates speak up, offer suggestions, push back and take initiatives rather than just do what they are told. In such culture decisions tend to be less top down, authority is more delegated and team members take responsibility assuming ownership of results. Normally Indian business culture has been observed more flexible and open ended approach to time. But it can create tensions and unfavourable impressions. In case of American business culture everything tends to be strictly scheduled, delays in one appointment or deadline can have a serious ripple effect on a colleague or customers other work commitments. In some business cultures preferences is given for clear, detailed agreements and are uneasy with vague expressions of general agreements. Everything is taken as seriously in terms of interactions and commitments. But in some business culture voice on agreements are more flexibly as intensions and guidelines for future actions. Following the rules and implementing correct process is highly valued in some business culture where it is more concerns with business results. At the same time there is impatience with employees those come across as more concerned with following established processes so correctly.

2 Cultural Change

A cultural assessment may be either static or dynamic. A static assessment serves to identify the differences in variables between cultures. A dynamic assessment seeks to indicate which variables will change and perhaps in what order and with what speed. Employees working in international business firms should be ready to accept changes and reject cultural differences. Two approaches may be helpful in mapping cultural changes as a basis for business decisions. The first is a mapping of the way and change is expected to diffuse through the culture. The second is a mapping of the decision-making and influence process for the key individuals to be affected by the change at each stage. The mapping makes quite explicit the assumptions that are held about the change process and frequently provide a necessary framework against which to specify actual research questions. Some mapping of these two processes any quantification on which to base a decision to introduce the change should hardly be soundly based.

Ability to adapt different culture effectively and doing things in another work culture are complex skills. Every employee tends to take his own cultural way of doing work for granted and to assume he is self evident to others. It observed that the American style of communication is characteristically directed, candid and relatively unconcerned with face saving or the avoidance of conflict. It results in getting answers with a clear yes or no. But employees in Indian business culture tend to avoid conflict

and loss of face often finds it hard to say no or raise problematic issues effectively. American companies off shoring or outsourcing to Indian have shown growing awareness of the hidden costs of cross cultural mismatches in work related behaviours. They have been willing to invest in general and region specific cross cultural training for their onshore employees and those who are asked to travel to India.

3 Avoiding Cultural Bias

The problem of cultural bias may be present in cases of requiring cross-cultural assessment. Everyone tends unwittingly to bias their view of other cultures by unconscious acceptance of their own cultural conditioning. It takes a great deal of discipline to force the mind to see things that one's own culture ignores or places in low value. Cultural bias can be reduced through the development of culturally sensitive management. The problems are first defined in terms of the cultural traits, habits or norms of the home society and then redefined, without value judgments, in terms of the foreign cultural traits, habits and norms.

Multicultural teams often have different views of the problem. Team members often go on debating about the problem statement. A diverse team will gain a rich insight but fail to agree on the problem definition because of mistrust, miscommunication or work stress. Culturally diverse team members often tend to have lower levels of trust when compared to homogeneous teams. A natural human tendency is to work closely with members of their own culture because of mistrust on people those are from different culture. This mistrust is often reinforced by inaccurate stereotyping. There is always a tendency of team members to communicate more with members of their own cultures and avoid communicating with members of different culture that develops more mistrust among the team members. Multicultural teams are forced to communicate in a common language. It is usually a language of domain group. There may be members in the team for whom the communicating language is not their native tongue. This often results in miscommunication between team members where one member meant one thing but said something else or it was understood differently. The problem can occur in translation errors. Miscommunication and mistrust can create significant work stress on team members. In mono culture team, members can openly discuss problems and issues. Multicultural teams, members are afraid of offending other members. This creates an artificial or a superficial behaviour which increases stress on the organization.

Some Key Cultural Aspects

1. Attitude towards work and achievement: The dominant view in a society towards health and material gain can have significant bearing. Employees pursuing entrepreneurial and management careers may have different attitude on personal health and on material gain as compared to others. Business firms should assess their cultural effectiveness on the basis the way

workers respond to material incentives. In most countries, wealth tends to be considered as most desirable and the prospect of material gain operates as a significant motivation. There are societies where a worker will be on the job until he earns a certain amount of money and then be absent until these earnings are exhausted. Variations among cultures in the dominant views towards achievement and work, which can be a vital determinant. The achievement motivation of an individual refers to a basis attitude towards life, namely the willingness to commit oneself to the accomplishment of tasks considered by the person to be worthwhile and difficult. Tangible rewards are not accepted by employees in some business culture but they are not essential too. Achievement motivation is the prime factor in managerial success.

2. Attitude towards the future: Cultures lie in assumptions and attitudes relating to man's ability to influence the future.

3. Pattern of decision-making: Reliance on objective analysis in decision-making varies greatly among cultures. In US business, decisions are supposed to be based on objective analysis of facts. In other societies the personal judgment of a senior executive may be the accepted basis for a decision. In such cultures, hierarchical, emotional and mystical considerations, rather than objective analyses may dominate.

4. Attitudes towards authority: The dominant view of authority in a society may range from an autocratic system at one extreme to a democratic-participative system at the other extreme. In autocratic systems, managerial decisions would typically by highly centralize with little delegation of authority. Managerial authority would be shared with subordinated and workers and considerable decentralization in decision-making would be typical of business enterprise. The international business firms will have to relate its management patterns to the expectations and traditions of local employee.

5. Expression of disagreement: Differences among societies in frankness of expression and tolerance for personal differences affect interpersonal relations. In far Eastern cultures it is traditional to value politeness over blunt truth. The Japanese business executive finds it inappropriate to say no in many situations. In many Latin American courtiers, frankly expressed differences in view do not easily fir the culture. If a person expresses criticism of a policy in order to improve the quality of decision-making, such statements is likely to be interpreted a personal attack. If a subordinate disagrees with the boss, the boss will most certainly feel insulted. Persons in subordinate positions are expected either to present information or judgments that support the ideas of senior officials or be silent.

6. Family responsibility: Business firms should see that the economic resources are available to satisfy the needs of employee and also understand employee-employer are interdependent. Among Arab executives, the use of personal ties and connections is not only widespread, but is also an important and necessary means of doing business. In Arab world the use of such personal ties and connections is evident in a wide range of activities. In Western societies, the husband and wife typically share decision–making on family purchases, with children and other members of the family having secondary vote. In the extended family, the family patriarch holds the key decision making position, although this is declining with magnetization of the economy.

7. Social structure: It includes variables as interclass mobility, determinants of status and patterns of education. Relative positions in the social hierarchy are based on ethnic, cultural, educational and linguistic differences as well as on economic position. There is a distinction between the elite, who have political and economic control of the country and the relatively underprivileged peasant groups.

"Treat others as you would like to be treated."

SOME DON'TS

1. Don't talk to people in a patronizing fashion.
2. Don't make assumptions about people.
3. Don't assume a culturally different person is an "expert" about their cultural group.
4. Don't engage in behaviors that single out a culturally different person.
5. Don't try to speak or act like a culturally different person if it is not YOU.

SOME DO'S

1. Talk to others as equals.
2. Recognize that cultural differences exist but confirm these differences before you act on them.
3. Stick to the business at hand until you have established an effective relationship.
4. Treat every person you come into contact with as an individual.

Be YOURSELF at all times.

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