

MANAGING A MULTICULTURAL ENVIRONMENT

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Abstract

This article deals with the issue of cross-culture management. This issue can be considered extremely important, especially now, in the current period that is typical for a very quick proceeding process of internationalization and globalization, and thus continuous intensification of connections among members of various national cultures. Attention is focused on conditions of successful international cooperation including ways of bringing near cultures of mutually cooperating companies. Recommended processes for overcoming cultural differences including basic rules and a process of adapting to a different culture are further developed.

Keywords: cross-culture management, internationalization, globalization, national cultures, multicultural environment

Preliminary considerations

A mutually intertwined process of internationalization and globalization has been proceeding very quickly and it has become a characteristic feature of the present. Multinational companies are attracted by non-filled markets, cheap qualified labour force, convenient location or tax relief and nowadays they are able to position and move very quickly any source into any territory that bears the most suitable conditions for increasing their value. In this context, it mainly includes opportunities and challenges of developing global society. In the area of management it means that management should not be limited only to performing economic and technical operations without paying attention to the influence of cultural environment companies operate in. It is necessary to focus on the ability of managers to manage a company in multicultural conditions. In this context we can find quite a new term – “intercultural management“, defined by Adler as “managing and running organizations in an environment of two or more cultures“ (Adler,1991: 76). International working teams are quite common these days. Companies get more and more in touch with members of various national cultures. This includes their employees, business partners and customers. The work of managers is more and

more influenced by the development of “global“ economics and that is why the need to manage problems of controlling and communication in the multicultural environment of multinational companies is of prominent interest now.

Managing cultural differences in companies operating in a multicultural environment

One of the main tasks of management is solving problems that may appear in individual companies and national cultures. At the same time, it is important which of the partner companies brings know-how, capital and management. The partner that provides the future company management usually also influences the newly created organizational culture. When trying to overcome possible misunderstandings and to create a favourable environment for all participating partners, it is possible to use several ways of converging partner companies:

Cultural dominance

In case of the so-called cultural dominance the main goal is to create a single strong company culture within the framework of all business subjects, which can be for example daughter companies or divisions. In this context we can encounter the term “global organization culture“, where in “the process of creating a new organization culture an emphasis is put on enforcing universal values, norms and patterns of behavior” (Fiol, 1991: 192). Daughter companies are perceived as inseparable parts of integrated organizational culture of the parent company. This approach is accepted especially in those cases where it is necessary for the company to act so that to use organization and economic advantages of integrated actions.

Plurality of cultures

Plurality of cultures bears the feature of cultural compromise. The basis is creating a suitable space for individually different approaches to create the organizational culture of each daughter company. This can arise from cultural traditions of the local environment and is obliged to respect universal goals, approaches and methods only to a limited extent. The reason for choosing such a culture can be for example the fact that the company operates in very different conditions.

A company is internally integrated despite differences in national cultures. A very important criterion of choice of suitable employees is the so-called intercultural competence, which means the actual ability of an employee to manage the demands of work in an international team and in a different cultural environment. If managers did not cooperate and were not interested in the convergence of cultures of cooperating organizations and pursued the simple implementation of conditions, shared values, norms and patterns of behaviour, misunderstanding,

conflict situations and in extreme situations even decline or vanishing of the common business may occur.

Cultural shock, which occurs in case that the culture of merging companies is different, is “perceived as a feeling of disorientation connected with the fact that people are exposed to the necessity to communicate and cooperate with someone who perceives the situation differently and does things in a different way” (Gancel, 2002: 30). At the same time, each participating party is convinced that the way they do things is the only correct one. If the cultural differences are not managed, then the situation results in mutual disbelief, misunderstandings, disillusion, decrease of morale and productivity, increase of fluctuation and loss of key workers. In such situations the customer is rarely in the centre of interest. The final result is the decrease in efficiency.

A protection of one’s identity, one of the causes of cultural stress that people experience after the merging of companies, happens on the level of an individual as well as an organization. The culture in which a man lives and the basic presumptions, values and norms that he shares with the others provide the feeling of unity, patterns of behaviour, stable and predictable environment and thus emotional wellness. While the national culture is in the people’s blood, which means that it is an internal and emotional part of every individual, in case of organizational culture, the extent of emotional wellness and identification with a certain culture depends on how much the organization culture corresponds to the personal values and internal norms of an individual. However, even organizations have their own identity connected to their history. This happens as a result of fusions and acquisitions and often the members of the companies which were bought and are smaller than those that bought them feel frustrated, suffer from the loss of position. The consequences of ignoring cultural differences can be devastating for the results of mergers and acquisitions. Therefore, we present the following categories of causes:

Insufficient awareness of existence of differences – managers who are not aware of the very existence of the cultural dimension of management.

Insufficient understanding – managers know about the existence of culture, but they do not understand this issue and thus underestimate the culture impact and do not have any need to deal with it.

Insufficient willingness – managers knowingly decided not to deal with the culture. Such decision is usually connected with one or more of the following reasons: managing cultural dimensions is not a sufficient priority for them (they understand that its cultural aspects are important, but they are not as urgent for them as the pressure to reach results, thus they focus their energy on economic issues or technical problems and they do not have enough time to manage cultural

differences); they experience fear of the unknown (dealing with financial problems is safer and more comfortable, because it enables falling back on numbers and facts – “to manage soft problems means to deal with people, behaviour, emotions, make decisions in a different way, which causes discomfort, fear and uncertainty” (Hath, 1993: 678)); care of cultural integration is not “attractive“ enough for them (cultural integration is not easy to measure, its contribution cannot be expressed in money and thus it is not possible to prove the success).

Insufficient level of abilities and skills – managers may be aware of the need to do something about it and they may even try to do it, but they fail due to the lack of intercultural competences (which is due to the lack of knowledge, of intercultural sensitiveness, the lack of appropriate skills).

Working in a multicultural environment

The success of cooperation depends, to a great extent, on the abilities of workers who operate in multicultural conditions. These workers should meet certain conditions for the successful fulfilling of everyday tasks in a multinational company.

Unfortunately, cooperation in international conditions is often not as successful as managers originally expected. One of the most frequent reasons is not understanding cultural differences in the environment of the partner companies. It is very often possible to meet international teams consisting of great specialists in their field, but despite all the efforts, the suitable conditions and the perfect work of individuals, the output of the team as a whole does not meet the expected results. It is not always possible to reach mutual understanding, despite the fact that the same language of communicating and corresponding technique is used. Habits based on long-term traditions may be different in different countries and the efficiency of mutual cooperation depends on how much effort the workers from different cultural environments exercise to come to an agreement.

Misunderstandings or conflicts, which usually represent serious obstructions of successful cooperation, appear especially due to the fact that ideas about certain cultures are deeply rooted and as such they are considered to be generally true. Cultural differences may easily cause different perceptions and misunderstandings. It is useful to realize that finances, technologies or transmission of information are independent of the place of origin and are very easily transferrable to a different environment. On the other hand, management style, decision making, educating or involvement of employees are closely connected and determined by specific patterns of a given culture that direct the ways of acting and thus prescribe to the individuals how to behave in specific situations.

The behaviour of workers in a multicultural environment is influenced by many factors. One of the most important factors is information about the culture of the partners. "Understanding and correct interpretation of different behaviours of a partner can contribute to mutual understanding and good cooperation" (Hickmann, 1986: 52). Companies enter cooperation relationships with other companies and they can operate within more organizations or national cultures. This fact influences the behaviour of the company.

Problems caused by different perceptions, ways of thinking and behaviours of members of different cultures may exist on more levels: on the level of organization cultures within the framework of national fusions, acquisitions and other forms of cooperation of companies; on the level of organization as well as of national cultures within the framework of international mergers, acquisitions and other forms of international cooperation.

Whether mergers or acquisitions are created within one country, which means among local companies, the cause of conflict is the difference in the content of organizational cultures. Confrontation on the level of organizational processes, systems, practices and behaviour of employees that takes place here is relatively visible for the employees of the merging companies. Less visible (or hidden) is the conflict on the level of organizational values and especially the main conditions through which the external manifestations are determined. If mergers and acquisitions are created among companies from different countries, the employees are exposed to a double conflict: a conflict on the level of organizational cultures and a conflict on the level of national cultures. The more distant are the countries of origin of the merging companies, the more different are not only the main conditions and preferences of values, but also organizational characteristics of these companies, because differences in national cultures lead to different organizational practices and different employees' expectations.

The preparation as well as the selection of workers whose role is to fulfill work tasks in the international environment depends on the form of cooperation between the partner companies which are represented by the individual workers. In case of a looser cooperation between companies, for example based on business contracts, the selection and preparation of workers takes place rather on informative and individual levels. In cases of closer cooperation, such as fusion, company takeover of direct foreign activities, the selection as well as the preparation of workers should be more complex and very intensive and it should concern the workers in the whole company.

When overcoming cultural differences, it is necessary to know oneself perfectly, which means to know one's culture, which is neither obvious nor simple. An enormous pitfall is the fact that within one's own culture the approach to the others as well as the interpretation of their behaviour is verified and does not cause big

problems, because despite the globalisation tendencies, the depth of cultural roots, patterns and standards influences perception and evaluation of gained information. The starting point for managing intercultural standards is the realization of validity of one's own culture patterns and the recognition of cultural groundwork of the partner. There are three consequent steps leading to a successful cooperation in international environment:

Good knowledge of foreign culture

The first step means acknowledging and admitting the existence of differences between cultures. This mainly includes differences in perceptions, interpretations and evaluations of social situations and people who create them and act within them. These differences have to be named, described, explained and understood. Recognition of the culture of a partner is considered to be the first condition of mutual understanding and good cooperation.

Respect for a foreign culture

Respect for a foreign culture means most of all accepting their differences without any judgement. It is not possible to claim that a certain culture is perfect, better than another culture. Cultures are different and for their members they represent the optimum to manage life situations in conditions they have been living in for a long time.

Helpful steps in the relationship to a foreign culture

“The last step of the recommended process should be the effort to find common solutions, mutual understanding and simplification of the complicated and demanding process of behaving in different cultural conditions” (Hofstede, 2001: 87). These helpful steps in no case mean that the participating partners should give up their cultural background, but they suggest that they should use their knowledge of their own culture to gain knowledge about the partner's culture, which can be quite easy after all. Very often it is enough to sacrifice something that is not too important for us, but it means a lot for another culture. The main condition is a very good knowledge of your partners and their cultural environment. The main condition of a successful international cooperation is understanding, respect and getting closer to the culture of foreign partners. Workers operating in an international environment should be introduced to this procedure and through these simple steps they should try to avoid possible misunderstandings and conflicts in their everyday working lives.

The process of assimilation with a foreign culture should be introduced especially to those workers who operate in a foreign cultural environment on a long-term basis.

This process is very similar for many workers operating in multicultural conditions and it can be described by four phases:

Observation phase

The observation phase starts with the arrival of the representative worker into the hosting country. In most cases this happens without serious problems because everything is usually prearranged and a great attention is paid by the accepting organization to the worker. He creates new contacts with workers from the same country as well as with workers from the hosting organization quite quickly. The worker usually gains a positive impression.

Collision phase

During the so-called collision phase the first problems occur. The new colleagues are not as reliable in some situations as they originally seemed to be. It is more difficult to make new contacts with people, especially out of work, than it was in the beginning. The worker continuously develops a critical attitude towards the foreign environment. This phase can also be called a critical phase and it usually lasts two to six months. The worker starts to be uncertain, which may decrease his or her self-confidence, especially if the expectancy and demands on his or her efficiency are simultaneously increasing. He or she may experience the so called cultural shock that is usually defined as an emotional reaction of an individual resulting from loss of a culture familiar to him.

Consolidation phase

In the third phase the worker recovers from the previous crisis, if he manages to find balance after the collision phase. He continuously adapts to the conditions of the hosting country, which is often connected to improvement of the language knowledge and identifying the reasons of different ways of behaviour of the other individuals. In an ideal case the system of relationships is settled and one's own ideas are becoming a possible alternative of evaluating measures.

Departure phase

The departure phase already starts with the preparations for the return from a foreign stay to the home country. An uncertainty about one's future in both working and personal life may appear. The worker clearly understands that the habits and ways of behaviour he acquired abroad will be lost in the home country. His found balance and satisfaction can get lower and he may go again through the so-called contra-cultural shock, this time on the arrival in his own country. During their stay abroad the workers may get into various life and work situations and go through different personal experiences. That is why it is not possible to generalize

this process. The length of each phase is also different for each individual. Despite this fact, “knowledge of this process is very beneficial for the workers, especially from the point of view of preparations for a long-term stay in the environment of a foreign culture. The more distant is the hosting culture and its culture for the visiting worker, the more important is his preparation and consequent ability to adapt to the culture that is strange to him” (Trompenaars, 1993: 43).

Conclusions

During the period of European enlargement, orientation in the international environment is definitely vital not only for its members but also for other people. Many of them meet the differences of national cultures not only as tourists but also in everyday working life, because the fast process of internationalisation and overall globalisation brings requirements for inevitable integration of cultures and cooperation within the framework of multinational organizations. Traditional companies operating only inside the borders of individual countries are very rare these days. Culture and cultural differences play an important role in international companies, in the work of multicultural teams and in international meetings. People in various countries may view and interpret the same facts differently. The meanings given to them are a place where the different cultural traditions can be seen the most. The knowledge of cultural differences may help the workers operating in multicultural environments to reduce the possible misunderstandings and it enables them to foresee the possible reactions of their partners. The workers who are ready to admit, understand and respect the cultural differences of other nations and to take helpful steps have a great advantage at fulfilling tasks in a multicultural environment. Intercultural management is not only a marginal area, but it has been gaining more and more significance for international as well as purely national companies, if they want to succeed in the demanding competitive environment. The development trend in this area goes towards converging individual nations, communication and understanding of intercultural differences, which represents a possible way to mutual cooperation reaching beyond the contemporary borders of individual states or groups.

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