

Discussion of Cross-Culture Management in Cultural Diversified Workplace

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Abstract: This paper aims to emphasize the importance of effective cross-cultural management in multinational organizations by synthesizing theoretical frameworks and real-world cases. It is structured into four sections, each contributing to a comprehensive understanding of the challenges and solutions related to cultural diversity in the workplace. The first section delves into prominent theories that define and measure cultural dimensions within organizations. These include Hofstede's Cultural Dimensions theory, Trompenaars' Seven Dimensions of Culture model, and the Global Leadership and Organizational Behavior Effectiveness (GLOBE) project, all of which offer insights into how different cultures influence organizational behavior and decision-making processes. Cultural Intelligence (CQ) will be explored in the second part, CQ is vital as it enables individuals and organizations to navigate and leverage cultural differences effectively, fostering better communication and collaboration across diverse teams. At the end this article, the study examines instances of cross-cultural mismanagement within multinational corporations. Through these case illustrations, it reveals the detrimental impact of inadequate cross-cultural practices on workplace dynamics, leading to conflicts, misunderstandings, and reduced productivity.

Overall, this paper underscores the necessity for suitable cross-cultural management strategies by integrating theoretical underpinnings with empirical examples. By doing so, it highlights the pressing need for organizations to develop and implement robust cross-cultural competencies to ensure smooth functioning, minimize conflict, and enhance overall effectiveness in today's globalized business environment.

1. Introduction

Despite the existence of several frameworks and theories to address the issue of various cultures within a multinational organization, there is still a failure to properly address multiple cultures. This, in turn, can lead to conflicts and misunderstandings in the workplace, and will eventually slow down effectiveness of work.

This paper seeks to combine the theories and framework with relevant cases to ascertain the importance of suitable cross culture management. The paper is divided into four sections. The sections are as follows - (1) understanding the cross culture framework by studying theories proposed through Hofstede's Culture Dimensions, Fons Trompenaars' Seven Dimensions of

Culture, and Global Leadership and Organizational Behavior Effectiveness (Globe) and Context; (2) illustration of components and suggestions associated with cultural intelligence (CQ); (3) reflections on study demonstrating failures in relation to cross culture management within a multinational company.

2. Hofstede global Culture Theory

The Hofstede global culture model was developed to distinguish between cultural differences in individual countries.

- Power Distance addresses the distribution and expression of power within organizations. In low power distance cultures, managers share decision-making authority and delegate responsibilities to subordinates, fostering a flatter structure. On the other hand, high power distance cultures maintain a strict hierarchy where subordinates are expected to adhere to directions from superiors, and managers typically centralize power (Holt, 1998)^[8].

- Uncertainty Avoidance measures society's tolerance for ambiguity and risk-taking. Cultures with high uncertainty avoidance enforce rules and procedures to minimize unpredictability, encouraging long-term commitments and adherence to company norms among employees. Conversely, in low uncertainty avoidance societies, individuals tend to be more adaptable, open to change, and comfortable with risk-taking and flexibility in their careers.

- Individualism vs. Collectivism: Individualistic societies place great importance on personal achievements and independence, promoting innovation and progress. In contrast, collectivistic cultures prioritize group harmony, loyalty, social order, and reputation over individual pursuits, with members expected to contribute to the collective good rather than solely focusing on personal advancement.

- Masculinity vs. Femininity (Assertiveness vs. Nurture): This dimension refers to societal values that drive goal attainment and interpersonal behavior. Masculine cultures emphasize assertiveness, competitiveness, and traditionally masculine traits as dominant in society, although women can also hold positions of power. Feminine cultures, however, value qualities such as modesty, cooperation, and care-giving, with less emphasis on overt competition and more on nurturing relationships (Hofstede, 1991)^[7].

3. Fons Trompennars' Seven Dimensions of Culture

This frame always help explain variations in how people approach work, relationships, and life in general across different cultures and regions around the world.

- Universalism vs. Particularism: Universalist cultures rely on established rules and principles to guide actions in all situations regardless of context, promoting consistency. In contrast, particularist societies prioritize relationships and may adjust rules based on specific circumstances, emphasizing personal bonds.

- Individualism vs. Communitarianism: Individualistic societies emphasize personal freedoms and self-actualization, often seen in modern contexts, while communitarian societies prioritize collective goals and the common good, reflecting traditional values.

- Specific vs. Diffuse: Specific cultures focus on facts and compartmentalize life aspects when interacting, whereas diffuse cultures view life holistically, considering multiple interconnected elements.

- Neutral vs. Emotional: Neutral cultures tend to suppress emotional displays, seeing them as inappropriate or unprofessional, whereas emotional cultures openly express feelings and see it as natural and authentic^[4].

- Achievement vs. Ascription: Achievement-oriented societies attribute success to one's actions

and efforts, while ascriptive cultures believe success is determined by inherent traits like gender, age, status, or education.

- Sequential Time vs. Synchronous Time: Sequential time cultures adhere strictly to schedules, completing tasks one at a time, while synchronous time cultures prefer flexibility, multitasking, and adapting to changing circumstances.

- Internal Direction vs. Outer Direction: Cultures with internal direction perceive humans as capable of controlling their environment and destiny, while those with an outer direction outlook believe human actions are largely influenced by external forces or the will of others.

(Trompenaars & Hampden-Turner's (1997)^[13]

4. The relationship between Globe and Context

Globe which means Global Leadership and Organizational Behavior Effectiveness is combined with the Hofstede theory to define leadership traits (House et al., 2004)^[9]. Dorfman et al. (2012)^[4] refer to six dimensions of global leadership by connecting dimensions of primary leadership to be defined as follows:

- Charismatic/value-based leadership is regarded as form of inspiration, motivation and expectation of high performance outcomes by drawing on core values exhibited by the leader^[6].

- Team-oriented leadership is to explain that it is up to the team to effectively implement and build contributions based on the common purpose or goals.

- Participative leadership reflects on the extent to which the manager involves subordinates to participate in decision-making and implementation.

- Human-oriented leadership refers to leaders who are supportive, compassionate, generous and considerate to subordinates.

- Autonomous leadership refers to independent and individualistic attitudes of leaders, whereby leaders focus on self-achievement^[7].

- Self-protective leadership places focus on guaranteeing the safety and security of individuals or groups by saving face and enhancing status.

(Dorfman et al., 2012)^[4]

Context has two categories, namely, high context culture and low context culture. In the low context culture, individuals use low levels of programmed information to carry on conversations through explicit codes and words. The words directly convey the information. In contrast, individuals within the high context culture share the meaning of words in an indirect manner, and prefer to use non-verbal context, physical settings and individuals internalizing values, and beliefs and norms in order to convey their message in an implicit manner (Hall, 1976, 1989)^[6].

5. Cultural Intelligence (CQ)

Thomas and Inkson (2004 pp. 182-183)^[12] define 'Cultural Intelligence' as the 'multifaceted competency consisting of cultural knowledge, the practice of mindfulness, and the repertoire of behavioral skills'. This means that individuals have to be able to perform effectively in a cross-culture environment (Thomas, 2006)^[11]. CQ is constructed in four parts: (i) Meta-cognition CQ refers to the capacity to process information, knowledge of processing information (Earley & Ang, 2003)^[5], motivations, goals, and emotions of internal and external stimulation (Thomas, 2006)^[11]; (ii) cognition CQ is defined as the structure of a culture related to general knowledge (Ang et al., 2006)^[2]; (Ng & Earley, 2006)^[10]; (iii) motivational CQ is regarded as an individual's interest to learn and function within a cross culture environment; and (iv) behavioral CQ refers to individuals being required to exhibit verbal and non-verbal behaviors in a competent manner while interacting with other individuals within cross cultural circumstances (Ang et al., 2004)^[1]; Ang et al., 2006^[2]; Ng &

Earley, 2006^[10])

Results of investigations by Crowne (2008)^[3] into the depth of exposure to other cultures demonstrate that the meta-cognitive CQ was at a higher level for individuals with more experience in foreign employment. Further, cognitive CQ and behavioral CQ of individuals were also higher for individuals with foreign employment and education. Results from investigations into motivational CQ, however, were different. Individuals who had engaged in foreign travels for vacations and other purposes had a higher motivational CQ. This is the first instance in which such variables demonstrated an impact on aspects of CQ.

Results from the investigations also suggest that managers from multinational firms can implement education and internship, training, expatriation and global leadership in order to enhance CQ levels of employees, which in return can help contribute positively influence on the firm. Organizations can partner with global universities to provide internships and scholarships to study abroad. Training individuals in foreign countries, rather than their home country, would also be useful in this regard. It would also be beneficial for multinational companies to take into consideration the level of international exposure of candidates, specifically by reviewing whether such candidates have studied or worked abroad. Further, selecting individuals who have been involved in various global assignments and had exposure to different cultures can ultimately contribute to a dynamic work environment (Crowne, 2008)^[3].

6. Examples of Cross Culture Management

Sonae-Sierra, a well-known Portuguese company involved in various sectors, including shopping centers. Roberto, the designer of Sonae's security system, undertook the duty to upgrade the security system in its shopping center, following the Madrid train station terrorist attacks in 2004. Roberto invited two well-reputed consultants, Burns and Stevens, from the UK. During the consultancy, the working styles of the two parties clashed with each other. Roberto's style is based on conservatism and dogmatism. "It has always been done like that" is a famous phrase used by Roberto, in line with the core values of Sonae. Further, since there was a steep hierarchical structure within the company and limited time to carry out individual actions, Roberto had to carry out other tasks in the course of security evaluation meetings, instead of delegating these tasks to subordinates. The UK consultants found it difficult to accept the non-linear approach adopted by Roberto. Steve and Burns encouraged Roberto to delegate tasks to his staff, and developed an upgrade plan based on the results of an assessment of the security system rather than following the traditional method adopted by Sonae-Sierra, and this resulted in the Portuguese consider they are difficult to get along with. Several conflicts between the two parties led Roberto to hire a second consultancy firm (USI Master of Advanced Studies MIC, 2016)^[14].

Roberto organized his staff to function within a steep hierarchical environment in strong and charismatic manner. Therefore, there was no delegation of power in Sonea. In UK, however, there was a culture of relatively lower power distance resulting in Steve and Burns suggesting for Roberto to provide a higher level of autonomy in the workplace. The Portuguese also follow core value of Sonae, namely universalism, in making decisions on any aspect. The British, however, work on the basis of particularism, and so develop an upgrading system in accordance with results of the assessment. Besides, the non-liner way of Roberto during the meeting process identifies he was him, but Burns and Steve were unsatisfied with the time management of Robert, which suggested that they tended to be sequential. Additionally, the Portuguese tend to mix emotions with their work, whereas the British prefer a more formal attitude and are performance oriented (House et al., 2004)^[9]. These behavioral patterns may be the reason for the actions of the British to be interpreted as unfriendly, even though they may have been performing in a professional manner.

7. Conclusion

In any globalized or multicultural setting, conflicts and misunderstandings stemming from cultural differences are almost inevitable. However, acknowledging this reality is the cornerstone of fostering a harmonious and productive work environment. Cultural diversification in the workplace enriches organizations with varied perspectives and experiences, but to leverage its benefits effectively, it's crucial to develop a deep understanding of these differences.

Frameworks for understanding cultural diversity provide tools and strategies that facilitate better communication, collaboration, and mutual respect among employees. These frameworks often encompass models such as Hofstede's cultural dimensions theory, Trompenaars' cultural orientations framework, or Hall's context culture model, each offering insights into different aspects of cultural values, norms, and behaviors.

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