

# Management of Cross Cultural Integration through Communication



**Prof. Sonal Shree**

Asst. Professor,

SIBM Pune

Email :sonalshree@sibmpune.edu.in

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## Introduction

The year 1991 heralded the beginning of economic liberalization in India, a country that was inclined towards socialist mode of governance till then. The neo-liberal policies included opening for international trade and investment, deregulation, initiation of privatization, tax reforms, and inflation-controlling measures. With liberalization arrived increasing cut throat competition, rapidly changing equations of the business and cultural environment and the obvious inevitable role of management in acting as the ideal change agent through effective communication. It is well recognized that businesses are sub-systems of society and have to function within this framework. The changes affecting the global and local environment will have a ripple effect on trade and commerce too.

Globalization is here to stay and so are the opportunities and challenges that come along with it. In India, greater numbers of companies are developing an increased appetite for mergers and acquisitions than ever before. Transactions valued at more than \$43 billion occurred in 2010 alone. Cultural integration has become the new catchphrase at the workplace. The reason is simple. Greater numbers of employees are spread across the globe than ever before and managers are increasingly handling teams that are global in outlook. A diverse workforce faces challenges considering the mixed bag of different nationalities, languages, values, belief systems, ethics and practices, gender, etiquette, language, behavioral expectations and cultural outlook. Cross cultural disparity can impact a business negatively, thus affecting the cohesiveness of the unit as well as employee productivity level. The key to handling the dynamics of changing workforce and environment is cultural awareness and sensitization that is not only country specific but has local flavor to it as well in view of the fact that even two companies within the same country might not necessarily share the same cultural milieu.

## Culture & Business

No organization can survive in isolation. The political, economic, social, technological and cultural aspects of environment affect all businesses globally. There are two challenges that apply to basic cultures being studied in sociology and these challenges in different ways also apply to the business world, therefore allowing for the comparison– (a) the issue of hiring candidates and their adjustment with the culture, & (b) business adapting to external environment. An organization has to do the balancing act- between external and internal environment and external and internal customers. Limaye and Victor (1995) stated that management is surrounded by culture. A *one size fits all* approach will not work- the best business practices of America or Europe may not be congruent with business dealings in other countries as Thailand, Japan or India. Awareness of culture and communication within the organizational set up solves the mismatch by evolving a middle path- the ideal route to deal with a situation arising out of cultural differences. The challenge of absorbing new hires into existing culture is another aspect that demands thorough attention. Any external hiring requires sourcing candidates from outside. HR managers should be mindful of hiring people who can easily fit into the existing culture of the company. Not an easy task but surely rewarding if the hiring managers invest time and attention on this crucial aspect. More and more businesses in India are recognizing the tremendous potential that lies in intangible assets like people. The real test of management is to unite a group of independent individuals from varied cultures into a cohesive whole.

**Cross-cultural Concerns:** One of the modern definitions of culture is ‘the shared ways in which groups of people understand and interpret the world’. Cultural differences in business become a major source of problem when employees of different nationalities try to communicate. While no culture is superior or inferior to the other, one way to overcome this tendency is to sensitize towards many dimensions of culture. Two of the dimensions that impact communications are the cultural differences in-

**1. Body positions and movements:** these differ vastly in the implications from country to country. For instance, the ‘OK’ sign is considered rude and insulting in places as Russia, Germany, and Brazil while in Japan, this sign represents money. Similar is the case with greeting. Eskimos and people in the Maori people in Rotorua, North Island, New Zealand, greet each other by rubbing noses. Arabs often greet with kisses on both cheeks. In the Galapagos women kiss on the right cheek only and in Oman it is not unusual for men to kiss one another on the nose after a handshake. Even the style of handshake differs across cultures. While the French are known for their light, quick handshakes, Americans and Germans are firm with their handshakes. Women from Asia or Arab countries may not be comfortable in shaking hands with male counterparts. However, it cannot be generalized as times are changing and so are the outlooks. Bowing is the customary mode of greeting for the Chinese and the Japanese although nowadays, handshakes are quite common, albeit weak in nature. There is a cultural difference in even giving and receiving things. For instance, using left hand for

receiving or giving is considered offensive by Muslims and Hindus alike in Asia. Also, when handling over or receiving the visiting card or gift, it is considered rude in China and Japan to use only one hand and hence, both the hands should be used as a mark of respect. In Western cultures (e.g. America, England and northern Europe) strong, direct eye contact conveys confidence and sincerity yet in other cultures (e.g. China, Japan and India) , it is considered rude and is generally avoided.

**2. Views and practices concerning various factors of human relationships:** Some societies are very time conscious and value punctuality religiously. Being late is considered tantamount to an insult. On the contrary, in some other societies, the sense of urgency associated with being on time is not present and it is considered fashionable to be late even for business meetings.

Open display of affection might be common and acceptable in countries like the US, the UK, the European nations, but when it comes to some Asian countries like China, Japan, India, Pakistan, and Arab countries, it is strict no-no. During their interactions related to business, the Westerners usually leave a certain amount of distance between themselves while in Japan or China, a gap of one and half meters between people, when conversing, is not surprising. In the Arab world, long handshakes, grasped elbows, even walking hand in hand by two males is commonplace.

In terms of making business deals or negotiations, Asians tend to be reticent or implicit as compared to the Westerners who are frank and forthright about everything. Expression of emotions is subdued in case of the latter vis a vis the former.

Food and dressing styles are also major distinguishing factors in understanding cross-cultural differences and uniqueness. A female Muslim employee would want to wear veil over her face and a Sikh man would always put on a turban. The management is expected to respect the culture and beliefs of the employees. Similarly, some employees might be averse to the idea of having non vegetarian food or alcohol on all or certain days and must never be forced into having these. There is no end to comparison of cultural differences and the issues and they could go on endlessly. What must be remembered is recognition of their existence and being mindful and understanding towards them. Here comes the pivotal role that proactive communication from the management can play in bridging the gaps. It is the connecting force within the total set up of an organization that facilitates synergy in the structure, making it vital that team work, team building and team spirit are encouraged for better connectivity and awareness. The new age managers need to put on the cloak of being facilitators of change through effective communication to create a positive working environment that leaves no room for rumor mongers. Effective communication for cohesive value in an organic whole should be the success mantra.

### **Cultural Issues & Business: Expansions, Mergers & Acquisitions**

Exchange between different cultural groups, for business purposes, is increasingly common for driving the business agenda and delivering vital results. Technological advancement, liberal trade practices and acknowledgement of the fact that

multiculturalism pervades the modern workplace help iron out wrinkles that could arise due to cultural differences at workplace. Businesses cannot ignore the huge potential that cross-cultural trade can provide in terms of economic benefits and improved productivity at the workplace as a result of greater understanding between disparate groups of internal and external customers.

Studies have shown, time and again, that approximately nine out of corporate entities fall short of their mergers and acquisitions objectives, one of them being cultural adaptation. Values and processes differ from organization to organization. If these are not in congruence with those of the aligned company, the outcome may be total disarray in operations.

Even two companies operating within one country have distinct differences in culture. The failed merger between Indian Airlines and Air India is largely attributed to poor cultural integration. "While Air India employees felt their counterparts in Indian Airlines got a sweet deal out of the merger, the latter felt they were not being treated with enough respect".

Indian Airlines pilots demanded equality in pay and privilege, among other things, with the Air India staff- a classic example of cultural issues arising within the same geographical and business boundaries.

The most difficult phase for a newcomer, be it an individual or a business, could be the 'culture shock' that can strike hard if one is not aware about the new way of life. Creating and absorbing awareness requires investment of time and resources towards greater understanding and appreciation of the new culture. A proactive approach is needed to ensure smooth working environment through cultural integration. The management must be thoroughly involved in the process at every level taking collective responsibility for successful cultural assimilation.

It is a healthy sign that several Indian companies like Hinduja Global Solutions, Dabur India, the Essar group, etc. have embarked on cultural integration initiatives. Hinduja Global Solutions has charted out plans to recruit only those senior level managers who are experts at handling cultural integration. The FMCG company Dabur India has undertaken cultural integration for two of its recent global acquisitions — Turkey's HobiKozmetik and the US-based Namaste Group — and is now doing it for its Nigeria and Egypt operations. The Essar Group has also been proactive in drawing up a cultural integration programme. The programme is directed at evaluating the culture of the target company and its assets and liabilities during the early stage itself, and only then goes ahead with the deal.

One of the leading companies in India, Mahindra & Mahindra, has recently come up with its rebranding campaign called Rise. The campaign talks about the necessity to rise in every sphere of life. The company expects this will become a platform for cultural transformation and integration across group companies. It plans to use this platform to culturally integrate its recent acquisition, Korean SUV maker SsangYong Motor, with the operations of the parent.

## The 2 Cs- Culture & Communication

Miscommunication across cultural context is usually the most important cause of cross-cultural problems in multinational companies. The sources could be several, including:

**Same words- different meanings:** Words can have different meanings or connotations in different parts of the world. Companies can make blunders in international business through their products, practices, and words. For example, Ford encountered problems when it introduced a low cost truck that it names 'Fiera'. The name translated to 'ugly old woman'. Olympia tried to introduce a copier in Chile under the name 'Roto' which is the Spanish word for 'broken'. A simple example is the word 'yes'- a Chinese 'yes' often means '*I am listening*' and might be understood in English as the opposite. For instance, when an American says to a Chinese counterpart, '*I see you don't agree with the clause*', the Chinese will usually reply, 'Yes' meaning a polite agreement with the negative question: '*Yes, you are right. I do not agree with the clause.*'

**Insensitivity towards other cultures:** Seattle based toilet seat manufacturer 'Sittin Pretty' came up with a new design with images of Lord Ganesh and Goddess Kali. Several Hindu organizations started protest campaigns. After a long campaign of protests, manufacturer withdrew these two designs from the market. Few years later, American company Eagle came out with flip-flops with Lord Ganesh's image on them, London's Harrods stores started selling undergarments with images of Hindu Gods and Goddesses, which were again protested against and they had to withdraw these products and apologize for hurting the sentiments of Hindus.

**Approaches to Problem Solving:** The approaches used by people of different cultural backgrounds to tackle the same problem are likely to differ widely. For example, the degree of process automation depends on the cost of labour and availability of skilled workers- in developing countries, due to the availability of cheap labour, manual work could be preferred as compared to highly automated processes in developed countries with high costs of men and materials.

## Management of Cross Cultural Issues through Communication

1. **Use of simple language for conveying the message:** The language used must follow the 7 Cs of communication :
  - *Correctness:* there should be no scope for mistakes. The facts and figures, spellings, words used should be correct so that the reader, listener or onlooker is not confused.
  - *Completeness:* the message should have all the data and information necessary for the receiver. Any lapse in providing necessary information could prove detrimental to business interests.

- *Conciseness*: being concise about the message to be conveyed is often the best way to avoid confusion. Using synonyms can confuse unnecessarily.
  - *Clarity*: Rather than using the sentence- 'Submit the assignments after Holi or Easter', it is best to mention the date- 'Submit the assignments on .....'. This clears confusion.
  - *Creativeness*: being creative and concrete about using different formats for conveying a message, like audio-visual aids, graphs, charts, etc. makes it easier to grasp the ideas.
  - *Courtesy*: the tone of the message should be courteous so that it cannot be construed as offending. Expressions like "I appreciate," "please", and "thank you" should be used.
  - *Consideration*: it is about making understanding and grasping the essence of the message easy for the receiver. For instance, technical jargon should be avoided and explained clearly when it must be used.
2. **Ask & Clarify**: It is crucial to ensure that there is no room left for any misunderstanding when dealing with people from varied cultures. Clarification of statements is must at every stage. The conclusion or summarized content must be verified by all parties involved. For example, issuing minutes of a meeting to all participants of the meeting helps in understanding the details and agenda minus any misunderstanding.
  3. **Cross-cultural training**: strategies for winning are formulated much ahead of a possible war and not in the face of it. Similarly, rather than prolonging the cultural integration process, organizations must have a system of timely and planned cross-cultural training in place to shorten the learning curve. For example, the French cosmetics major L'Oreal has reach all over the world, with hundreds of people on move globally for postings. The Indian subsidiary of L'Oreal has rightly come up with a three-week crash courses in the host country's culture, including lessons in the new language, making it mandatory for any expat coming to India to get some idea about the country's culture before formal joining.
  4. **Sharing of Information**: The necessary cross-cultural information should be shared with all employees involved in international ventures, rather than being limited to those who have already had experience with them. Cross-cultural training organizations are experts in the area of cross-cultural relationships and can provide training on many topics, including how to:
  5. **Encouraging Spirit of Cooperation**: It becomes the responsibility of not only the HR department but of every section of management to ensure cultural

integration takes place smoothly. Rumor mongers sprout whenever management fails to communicate with the employees. It is better to keep the employees aware of the changes in the system and the expected outcome so that they are not taken by surprise or shock. In case of mergers and acquisitions, for instance, the management must continuously communicate with the employees so that the latter are ready for the outcome and the impending cultural amalgamation in terms of what to expect and what not to expect. After all, culture is not confined to only meetings and memos from the top management but is a collective saga of constant interaction and understanding between all the levels of management.

## Conclusion

Culture is an invisible yet palpable force that lends personality or characteristic to a group. It revolves around behaviors, beliefs, shared values, attitudes, and assumptions of a set up. It is deeply ingrained within a system- be it society or an organization functioning within it. Some decades ago, the term 'organizational culture' was regarded as a novel and drastic theoretical idea, but over the years, the concept has gained ground as practical, conceivable and achievable aspect of business that can help in establishing or re-engineering a structure with the changing times, the overall objective being involvement of human resource towards organizational growth by creating an environment of greater goodwill, understanding, co-ordination and appreciation. The process is time consuming and evolves over months and sometimes, years. A 2010 Global Report on M&A by Hay Group shows that businesses only spend a fraction of the time assessing intangibles like business cultures and leadership capability of a target company and 66% of executives believe an increased and earlier focus on intangibles when engaging in M&A activity would have improved the chances of its success. Understanding organizational culture is vital, as is the truthful scrutiny of one's own or organizational. In case of mergers and acquisitions abroad, the cultural differences must be handled quite sensitively considering the wide cultural variance. Heavy investment in cross cultural communication is the key towards cultural integration for getting the desired numbers on the balance sheet. While the external environment to any business is full of problems and challenges, there are opportunities as well. The flexibility to adapt to the problems and challenges and make best use of opportunities- available or created- is important for a business to not only survive but also thrive in the market. It's all about making the right personal connect at the right time by striking the right chord in the e-obsessed world.

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