

‘Cross-Cultural Paradigms’-A Survey on Multinational Companies in Bangalore

Muktha
Research Scholar
Dravidian University
Kuppam
AP

Abstract

Globalization has intensified cross border interactions that has resulted in blending of employees from different cultures. The employees entering another nation need to regulate their respective leadership styles, communication patterns and various other practices to fit into the panache of the host nations. Hence, the organizations have entered into the process of acculturation, to make people understand the issues and withstand the cultural shock. The fusion of culture between these employees augment greater efficiency, effectiveness and achievement of long term organizational goals. Managers enacting enormous efforts to make these cross-cultural teams successful is very significant worldwide. It is interesting to study their adopted strategies right from investing in them, beginning to building relationships, ensuring clarity regarding the goals to be achieved, rules, expectations and team processes, building proficiency in cross-cultural communication and raising the cross-cultural awareness. Thus, this paper tries to understand the extent to which the MNCs are successful in endorsing cross-cultural management.

Key Terms: cross-cultural management, effectiveness, cultural awareness, cultural competency, cross-cultural communication

Introduction

Globalization has subsumed the whole world into a single integrated system with profound cultural, environmental and social implications. It has intensified cross border economic interaction that exerts severe impact on local cultures. Globalization has formed a marvel of cross boundary social, cultural and technological exchange. It can be alleged as a process of cross sectorial and international interaction. paradigm

Globalization has increased the pace of activities of MNC's and TNC's. These increased activities have enhanced international contacts of the rising corporates. Consequently, international negotiations, management and global decision-making practices of various countries need to be meticulously understood by the multinational companies to remain competitive. The biggest challenge faced by these organizations is blending of employees from different cultural backgrounds. The employees entering another nation need to regulate their respective leadership styles, communication patterns and various other practices to fit into the panache of the host nations. Hence, the organizations have entered into the process of acculturation, to make people understand the issues and withstand the cultural shock. The fusion of culture between these employees augment greater efficiency, effectiveness and achievement of long term organizational goals.

Today, Globalization suggests the integration of world economies through the process of cultural integration only. This is proved from the success of various multinational companies like HP, IBM, Microsoft etc. Cultural integration does not mean compromising with particular cultural values; rather it is meant to cultivate more sensitivity and mutual respect for the people from other cultures. Globalization can actually promote removal of the cultural barriers accurately, through ensuring increased stability in social, economic and political sphere of the world with efficient cross-cultural management. Since, cultural issues are very sensitive, we often try to neglect and show our reluctance to relate them with Globalization

“Culture”, can be interpreted as the inherited values, concepts, and ways of living which are shared by people of the same social group. The world is becoming a global village, in the sense that the technological achievements of this modern time have brought people closer together. This also means that people from different parts of the world and with different cultural backgrounds are working and communicating together resulting in cross-cultural teams. This fact is in a way interesting but dealing with people from different cultures requires knowledge of the cultural diversities; for instance, the way we deal with them, what we say and what we should avoid saying, how to communicate and to be aware of the cultural taboos because what is accepted in one culture might not be accepted in another. What applies to daily communication among cultures also applies to communication in the business also. Working with people in an organization requires dealing with certain issues such as motivating employees, structuring policies and developing strategies. In this case,

there has to be a kind of awareness and understanding of the cultural diversities in order to deal with various issues in the workplace.

Managing International business requires effective management of the cross-cultural interface as it is a critical foundation for an organization's competitive advantage. Cross cultural knowledge facilitates team building and organizational effectiveness. Leaders essentially need to obtain an adequate degree of factual information about the beliefs and values of overseas counterparts and advance empathy and tolerance toward these cultural variances. Cross cultural knowledge facilitates team building and organizational effectiveness. Cross-cultural proficiency is not only paramount in every managerial function beginning from Planning, Organizing, Directing, Co-ordinating and Controlling tasks, but also needed for

negotiating and configuring new international business ventures, Communicating and interacting with foreign business associates, formulating for overseas trade fairs and exhibitions, Screening and selecting foreign distributors and other partners etc.,

The advantages and setbacks of cross-cultural teams depends upon the effective management of different cultural variables like cross-cultural awareness, communication, team building, team trust, and training and team identity. Managers enacting enormous efforts to make these cross-cultural teams successful is very significant worldwide. It is interesting to study their adopted strategies right from investing in them, beginning to building relationships, ensuring clarity regarding the goals to be achieved, rules, expectations and team processes, building proficiency in cross-cultural communication and raising the cross-cultural awareness. Thus, cross-cultural management studies are gaining popularity.

The cross-cultural managing studies are the behaviour of individuals from dissimilar cultures employed together within structural settings. Cross-cultural management studies encompass behaviour issues such as motivation, leadership, decision making, and group dynamics. It includes both international and intranational organisations and the impact of cultural diversity both across and within national boundaries. It covers descriptions of the behaviour of people from different cultures working within a single organization and comparisons of the behaviour of people in organizations located in two or more different cultures. Cross-cultural

management thus extends the study of organizational behaviour by adding a multicultural dimension.

Thus, cross-cultural management is an effective interaction and understanding of people who represent different cultures. It is management of people across cultures through description of organizational behavior within countries and cultures; comparison of this organizational behavior across nations and cultures; and in conclusion seeks to comprehend and progress the interaction of fellow-workers, clients, contractors and alliance associates from diverse nations and cultures.

Consequently, this research paper attempts to give an understanding into the cross-cultural management of multinational organizations operating in Bangalore.

Objectives

1. To study the cultural management synergy in the multinational organizations.
2. To study organizational culture that stresses on global and cross-cultural awareness and trust building.
3. The study the efforts taken by MNCs' to enhance team members cross-cultural competency.
4. To analyze management process of Cross-cultural communication.
5. To study the integrity of cross-cultural management in the select multinational corporations.

Scope of the study

The level of the study incorporates MNCs in the domain of Semiconductors, Heavy Equipment Manufacturing Conglomerate, Automotive, Computer hardware, Computer software, IT services and IT consulting in Bangalore.

Research methodology

The study includes current cross-cultural management practices in the select organizations in Bangalore. The subjective parts of cross-cultural management have been measured by five-

point scaling methods. Consequently, more-than one examination technique was utilized to evaluate and appreciate the cross-cultural paradigms of select multinational concerns.

Sampling

The present exploration research was methodically chalked out the examining plan in that the universe, test size, specimen units, bases of inspecting, defense for the example size, wellsprings of universe and so forth.

Sample Design

Non- Random Judgmental Sampling and Purposive Sampling methods were designed for selecting the companies and officials respectively.

Bases of Sampling

The organization ought to be operating in Bangalore for a minimum period of five years. The turnover of should to be least of Rs.100 crore p.a. The least number of workforces in the MNC must be 300 and importantly, the presence of cross-cultural teams.

Data accumulation

The data was accumulated through a well-planned and designed questionnaire which would facilitate the need and the study objectives.

Primary Data

The data have been assembled from the official and non-official respondents through web-based well-structured questionnaire. Personal meetings were scheduled with the respondents to supplement the collected information.

Secondary Data

The research was supplemented with additional information on the subject through references of Books, Scholarly Articles, Journals, Magazines, past research work, web data and particular web assets.

Plan of Analysis

The present investigation is centered around multiple factors affecting the management of cross-cultural teams and assessing its validity through an orderly application to the investigation of test MNCs working in Bangalore. To discover the connections between the variables, correlation investigation, element, and numerous relapse examinations were completed.

The independent variables

Some of the independent variable that were considered based on researched models available are Global Management Training, Skill Development, HR Policies, Assessment of work place climate, Mutual trust, Mentoring, Motivation, Rewards, Training program, Compensation disparities, Performance Appraisal and Career opportunities.

Limitations of the Study

The discoveries of the study depended on information provided by the sample respondents. The testing blunder and subjective inclination can't be barred. The study is restricted to specimen MNCs backups situated in Bangalore only.

ANALYSIS & INTERPRETATIONS

I DISCRIPTIVE ANALYSIS

Multi-national organizations form international teams to pool global talent for organizational triumph. These team members are selected from countries of operations and from other nations. The team objectives differ on basis of the team types, they perform different operations and the preferences for recruiting the team members depend on priorities of the skill requirement. These companies strongly practice diversity inclusiveness and include the same in the Organization's Mission/ Vision statements.

II RELIABILITY ANALYSIS

Cronbach's Alpha reliability

To determine the quality firmness of the scales applied as part of this theory, Cronbach alpha dependability test was experimented. Unwavering quality investigation was linked to discover the dependability of scales utilized for every measure. The results evolved a new

opening about the investigation. These results demonstrated that the majority of the scales utilized for measures showed great dependability above 80%

Variables	No. of items significant	Cronbach's Alpha reliability
Team Cultural Management	12	0.826

III TESTING OF HYPOTHESIS

Hypothesis

1. There is a substantial team cultural management synergy in the multinational organizations.
2. There is emphasis on optimistic organizational culture that stresses on global and cross-cultural awareness and trust building.
3. The MNCs' take efforts to enhance team members cross-cultural competency.
4. There is an effective system for management of Cross-cultural communication.
5. There is significant integrity of cross-cultural management in the select multinational corporations.

Hypothesis – 1

There is substantial team cultural management synergy.

This parameter was tested with twelve questions comprising of company acknowledging the diversity of team as an important resource, respects the uniqueness of every individual team member, focuses the team on a clear common goal, establishes cohesion around fundamental core and ground values, Encourage expressions of diverse viewpoints, lead teams to provide multi-cultural camaraderie – (mutual trust and friendship among members), Cultivate a synergistic organizational culture that stresses global and cross cultural awareness, supply cross cultural and global management training, Offer cultural orientation and cross-cultural team skill development, promotes diversity friendly HR policies, assess regularly multi-cultured work place climate and finally encourage proficiency in communication by providing Language training and Feedback of verbal and non-verbal interpretations.

From the Table 1 it is clear that majority of items are significant.

Hypothesis – 2

There is emphasis on optimistic organizational culture that stresses on global and cross-cultural awareness and trust building.

This parameter is evaluated by considering 13 items encompassing cultural awareness training, inter cultural competence program, providing international Short term assignments,

Table 1
Team cultural management

	1	2	3	4	5	6	7	8	9	10	11	12
1	1											
2	.493**	1										
3	-.070	.460**	1									
4	.395**	.789**	.613**	1								
5	.252*	.695**	.209	.410**	1							
6	.308*	.763**	.273*	.484**	.930**	1						
7	.441**	.663**	.195	.426**	.628**	.582**	1					
8	.098	.143	.143	-.153	.291*	.234	.420**	1				
9	.308*	.253*	-.150	-.040	.450**	.387**	.554**	.739**	1			
10	.070	.196	.052	.036	.591**	.518**	.429**	.339**	.515*	1		
11	-.071	-.047	.237	-.137	.016	.038	.178	.739**	.517*	.226	1	
12	.103	.540**	-.030	.235	.417**	.430**	.318*	.020	.220	.337*	-.247*	1

** . Correlation is significant at the 0.01 level (1-tailed).

* . Correlation is significant at the 0.05 level (1-tailed).

Inter cultural social events, actively identify, focus and discuss cultural differences, mentoring, motivation for proactive multi-culturalism, reward inclusive behaviors, face to face contact, organize regular informal social gathering, video conferencing, partnering with other team members for building relationships and promoting clarity in goals to achieve.

The results are shown in Table 2 with considerable items being significant with moderate correlation.

Table 2
Cross-cultural awareness and trust building

Correlations

	1	2	3	4	5	6	7	8	9	10	11	12	13
1	1												
2	.678**	1											
3	-.306*	.197	1										
4	-.083	.182	.138	1									
5	.239	.395**	.447**	.489**	1								
6	-.277*	-.128	.046	.637**	.396*	1							
7	.178	.372**	.201	.501**	.408*	.286*	1						
8	-.587**	-.533**	.265*	-.236	-.206	-.002	-.065	1					
9	-.403**	-.469**	.128	.138	-.011	.388**	.050	.682**	1				
10	-.139	-.079	.118	.094	-.007	.240	.319*	.316*	.498**	1			
11	.269*	.249*	.355**	-.188	.378*	-.210	.427**	.224	.182	.488*	1		
12	-.096	-.130	-.350**	-.033	-.254*	.110	-.369**	-.279*	-.193	-.317*	-.494**	1	
13	.250*	.290*	-.244*	.123	-.105	-.084	-.098	-.194	-.033	-.210	-.134	.541**	1

** . Correlation is significant at the 0.01 level (1-tailed).

* . Correlation is significant at the 0.05 level (1-tailed).

Hypothesis – 3

The MNCs' take efforts to enhance team members cross-cultural competency.

This was measured through 6 questions encircling executives valuing cross-cultural training, training programs being team efforts, training program bring in outside experts and specialists with direct experience, training program include offshore and onshore, training programs are part of orientations and finally training programs are reinforced with mentoring.

The results are shown in Table 3 with considerable items being significant with medium to strong correlation.

Table 3

Cross-cultural competency

Correlations

	1	2	3	4	5	6
1	1					
2	-.194	1				
3	-.246*	.017	1			
4	.183	.348**	.331*	1		
5	.087	.002	.729**	.586**	1	
6	-.239	.116	-.094	.427**	.061	1

*. Correlation is significant at the 0.05 level (1-tailed).

**. Correlation is significant at the 0.01 level (1-tailed).

Hypothesis – 4

There is an effective system for management of Cross cultural communication.

This item is assessed with 9 questions covering flow of information among all the project stake holders, system for integrating all the aspects of project objectives, evaluating process for coordinating and reporting the status. Clarity and presentation of ideas and information, engendering of trust and believability, the impact of communication, measures of listening and testing for understanding and finally checking for assumptions and its verification. Table 4 enumerates the results. The results spring admirable strong positive correlation among all factors.

Table 4
Cross-cultural communication

Correlations

	1	2	3	4	5	6	7	8	9
1	1								
2	.764**	1							
3	.871**	.777**	1						
4	.817**	.693**	.840**	1					
5	.759**	.548**	.825**	.804**	1				
6	.505**	.588**	.732**	.710**	.535**	1			
7	.763**	.641**	.858**	.881**	.782**	.602**	1		
8	.722**	.563**	.903**	.721**	.760**	.728**	.812**	1	
9	.442**	.335*	.613**	.583**	.562**	.663**	.649**	.803**	1

**. Correlation is significant at the 0.01 level (1-tailed).

*. Correlation is significant at the 0.05 level (1-tailed).

Hypothesis – 5

There is significant integrity of cross-cultural management in the select multinational corporations.

In information investigation of this study, the results uncover that every single autonomous variable is managed effectively leading to acceptance of all hypotheses. Cross cultural management is the function of management of teams, cultural awareness, building trust, developing competencies and communication management. Consequently, the hypothesis 5, viz significant integrity of cross-cultural management in the select multinational corporations is a function of hypotheses 1 to 4. As these hypotheses are accepted through the support of various SPSS outputs, hypothesis 5 gets demonstrated. Accordingly, there exists a significant integrity of cross-cultural management in the select multinational companies of Bangalore.

Findings & Recommendations

The examination uncovered very captivating measurements of cross-cultural management parameters incorporated by multinational enterprises.

Findings

- The multinational companies constitute team members from the countries of operations and from countries of non-operations too. This implies that today, MNCs' are comprised of teams with members across multiple nations resulting in greater diversity and wider management complexities. From this context management of the cross-cultural teams becomes multifaceted and crucial.
- The companies acknowledge the diversity of every team member as an important resource. They encourage expressions from diverse viewpoints and respect the uniqueness of every individual team member. There is presence of diversity friendly HR policies and a practice of consistent assessment of multi-cultured work place climate.
- The MNC's are successful in promoting a synergistic organizational culture that stresses on

global and cross-cultural awareness. Consequently, they are successful in channelizing the focus of teams towards clear common goals and creating cohesion around fundamental core and ground values.

- The MNC's provide cross-cultural and global management training to the employees. Likewise, Cultural orientation and cross-cultural team skill development is promoted. Proficiency in communication through language training and regular feedback of verbal and non-verbal interpretations is provided which progresses multi-cultural camaraderie among members in the organisation. Outside experts and specialists with direct experience are brought to organisetraining and enhance effectiveness. Training programme are organised both offshore as well as onshore. Cross-cultural trainingis also part of orientation programmes andlikewise reinforced through mentoring.
- This study exposes the efforts of the organisations taken to enhance cross-cultural awareness of employees. Inter cultural social events and competence programme are organised besides actively identifying, focusing and discussing cultural differences. Employees are sent on short term international assignments for cultural exposure. Mentoring and motivation for proactive multi-culturalism is observed. In conclusion, inclusive behaviour of personnel is rewarded.
- Companies encourage building trust among cross-cultural team members through face to face contact and organising regular informal social gatherings. Video conferencing is used as a common mode of communication and partnering with members from other teams of the organisation is encouraged for building trust and relationships.
- Clarity in presentation of ideas and information for cross-cultural team members is asserted. In order to enhance the impact of communication, measures aretaken for effective listening and testing for understanding is supplemented. Efforts are also taken to check for assumptions and verifications.
- The study exposes that the cross-cultural awareness strategies adopted by the companies are less effective. The team members are unable to recognise the specific actions promoted towards cross-cultural exposure for awareness. Very few associates approve that they are sent

on short-term global assignments for awareness. However, they strongly believe that such visits would contribute towards their success in a long run. The motivation for proactive multi-culturalism and reward for inclusive behaviours is also less felt by most members.

- A minute fraction of members shows a sense of reluctances towards management communication process. They feel lack of occasions to interact with the cross-cultural teams. They prefer added opportunities to interact with others and develop their cultural awareness.
- The investigation of overall cross-cultural management across the companies reveal that Team Cultural Management has exceptional rank followed by building trust among members, cross-cultural competency, management of communication process and the least rank amongst the variables is with respect to cross-cultural awareness.

With the objective of analysing the implication of individual constructs of the organisations under study ANOVA test was run on SPSS and the results reveal that there is a significant difference between the Groups (Companies) on the team cultural management and Management of Communication Process. However, no significant difference between parameter like cross-cultural awareness, building trust among members, cross cultural competency, team effectiveness and organizational effectiveness was identified.

A cross correlation test was also run to identify the interdependence of independent variables considered under this research for appraisal of objectives under both 1% and 5% significance. This test indicates that majority of the items considered were independent to each other. Though some showed significance, their level of relationship was considerably low.

- Testing of hypotheses endorses that there is substantial team cultural management synergy in multinational companies. The investigation supports implication of majority of variables from the twelve interrogations comprising of company acknowledging the diversity of team as an important resource, compliments the individuality of every individual team associate, focuses the team on a clear shared goal, creates cohesion around essential core and ground values, Encourage expressions of diverse viewpoints, lead teams to provide multi-cultural camaraderie – (mutual trust and friendship among members), Nurture a synergistic organizational culture that insists and stresses global/international/multicultural and cross

cultural awareness, supply cross cultural and global management training, Offer cultural orientation and cross-cultural team skill development, promotes diversity friendly HR policies, assess regularly multi-cultured work place climate and finally encourage proficiency in communication by providing language training and feedback of verbal and non-verbal interpretations.

- There is emphasis on optimistic organizational culture. However, the computed results reflect only moderate effectiveness.
- The MNC's take efforts to enhance team members cross-cultural competency. The results imitate considerable significance with medium to strong association.
- There is an effective system for management of Cross cultural communication. The results exhibit admirable effectiveness in the MNC's.

Conclusion

This study supports that the multinational organizations have succeeded in making social amalgam at the association withstanding the social contrasts. Special efforts are taken to have an impact on inducing trust, express expertise and contact easiness for the cultural dissimilarities. Subsequently it is affirmed through this paper the possibility of having diversity with inclusiveness through the performance of additional functions by the organizations for global competitiveness and sustainability.

Recommendations

Although the foregoing analysis has identified many strengths of cross-cultural management in select multinational companies in Bangalore, the researcher put forth some recommendations for enlightening further the effectiveness of cross-cultural teams in the multinational companies under study.

- Senior executives are not as active when it comes to personally mentoring or rewarding inclusive behavior. Senior management level employees should take the lead and demonstrate high commitment to this.
- Exposure to the global work context through enhanced short-term assignments is needed.

- Additional Opportunities for frequent, informal and meaningful contacts of cross-cultural members is required to augment cultural awareness that leads to better understanding, acceptance and appreciation of other cultures.

Limitations and Directions for longitudinal Research

This learning sketches an urge for bigger and more extensive study. It is prescribed, the future inquires to examine from different directions of interaction, their effects with additional questions including the study of various strategies and their impact with respect to cross-cultural management in global companies.

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