

Cross-Cultural Management and Navigating Diversity in the Global Workplace

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Abstract: *This research paper examines the complexities of Cross-cultural Management and its essential role in the current global business environment. It provides an analysis of the difficulties that multinational corporations face in managing teams and operations that span multiple cultures. Additionally, it examines the cultural aspects that influence management practices and outlines effective strategies for fostering cross-cultural competency in management teams. The modern business environment is characterized by unprecedented globalization, which necessitates organisations to manage cultural diversity in their organisations. This paper examines the intricacies of the cross-cultural realm, highlighting its essential role in promoting productivity, creativity, and harmonious work environments in the international workplace. It also examines the multi-faceted issues that multinational corporations face when managing teams and operations with diverse cultures and highlights the significant influence culture has on leadership, communications, and decision-making.*

Keywords: Cross-culture Management, Culture Diversity, Culture Dimensions, Conflict Resolution Across Cultures, Workforce Diversity

I. INTRODUCTION

The dynamics of culture are a key factor in the development of our interactions, behaviour, and outlook in an increasingly interdependent world. Cross-cultural, also known as Intercultural or Cross-Cultural, is an area of research that focuses on the interactions and exchanges between individuals from a variety of cultures. It covers a broad spectrum of human experience, from business and international relations to personal interactions and day-to-day communication. Intercultural interactions are an integral part of our increasingly globalised society, and individuals and organisations regularly interact with people from a variety of cultural backgrounds, either within their local communities or globally. A comprehensive understanding of Cross-cultural is important for a variety of reasons.

The global workplace has become more than just a geographical area or a pool of local talent. Organizations, whether they are multinational corporations or start-ups, are now operating in a global village, where diversity is the order of the day. This multicultural landscape brings together employees, customers, and partners from various parts of the world, providing the business environment with a diversity of languages, views, customs, and outlooks. In today's interconnected world, cultural dynamics are a major factor in the formation of our interactions, behaviour, and outlook. Cross-cultural, also known as intercultural, is an area of research that focuses on the interactions and exchanges between individuals from different cultural backgrounds. It covers a broad spectrum of human experiences, ranging from business dealings and international diplomacy to individual relationships and day-to-day communication.

As globalisation continues to become a major concern for many businesses, the need for human resource outsourcing to fill the gap in human capital has increased. This necessitates the recruitment of foreign workers from various countries with varying backgrounds and cultures, thus prompting managers to address the questions of cultural differences and how they can effectively communicate their decisions in a way that is beneficial to both the workers and the organization. As businesses transition from local to global operations, managers will gain a better understanding of the significance of cultural diversity within the workforce, particularly in the area of human resource management that primarily involves employees.

II. LITERATURE REVIEW

Geert Hofstede defines culture as "the collective programming of the mind distinguishing the members of one group or category of people from others." He further explains that cross-culture refers to "the interaction between people from different cultural backgrounds in a social context."

- **Individualism/collectivism:** Different organisations perceive culture as either individualism where individuals are more emphasised over group. The idea is that individual culture is more important than organisational culture.
- **Power distance:** The belief in the organisation that emphasises the unequal distribution of organisational power and as such, there is no such thing as equal power.
- **Uncertainty avoidance:** Hofstede found out that, there are conflicting views in dealing with uncertainty. Some cultures view change as a challenge while others don't.
- **Masculinity/femininity :** This concept has been given less attention by the different organisations based on the result of Hofstede's survey but more emphasis was expressed on other areas such as achievement and assertiveness.
- **Long term & short term Orientation:** Long-Term Orientation values future planning and perseverance, influenced by Confucianism. Short-Term Orientation emphasizes immediate results and tradition for stability.
- **Indulgence vs. Restraint:** Indulgence values allowing natural desires for happiness and enjoyment. Restraint emphasizes self-control and discipline to maintain social order.

Michael Winkelman, in his book :

"Culture and Health: Applying Medical Anthropology," defines cross-culture as "the interaction of people from different cultural backgrounds, where cultural differences can include beliefs, values, practices, and norms."

Marsiglia and Johnson define cross-culture as

"The interaction between individuals or groups from different cultural backgrounds that takes place in multiple contexts, such as interpersonal relationships, organisations, communities, and global settings."

Adler (2008) defined

Cross-cultural management is the people's behaviour in organisations worldwide that reflects how people or employees with different cultural backgrounds work in an organisation and the service they will extend to the clientele. There is an urgent concern to manage employees with different cultural orientations as an important ingredient of achieving a successful organisation.

Accordingly, managing a cross-cultural workforce is very important that companies from different parts of the globe should take into consideration because it is a known reality that cultural conflicts may arise because of the failure of companies to address the many issues that contribute to such conflict. Furthermore, cooperation between different countries is equally important, especially in establishing conflict resolution whenever conflicts arise.

Cultural Issues and Barriers Faced in Global Workplace:

Organisations and individuals in the global workplace face a variety of cultural issues and obstacles that can have a significant impact on their ability to communicate, collaborate, be productive, and achieve organizational success. This article outlines some of the most common cultural issues and obstacles encountered in the global workplace.

1. **Communication Challenges: Language Differences:** Language barriers can impede effective communication, resulting in miscommunication, misinterpretation, and reduced efficiency. Cultures have different ways of communicating, which can influence the clarity and brevity of communications.
2. **Cultural Norms and Values:** The clash of cultural values, such as hierarchy and individualism, collectivism and time orientation, can have a detrimental effect on the workplace. This can lead to discrepancies in authority and decision-making, particularly when working with multicultural teams or international clients.

3. **Conflict Resolution Styles:** Cultural variations in conflict resolution techniques can result in either avoiding conflict, which can lead to unresolved issues or engaging in confrontation, which can cause tensions to escalate.
4. **Work Ethic and Punctuality:** Different perspectives on work ethic and timeliness can lead to disappointment and confusion. Some cultures emphasize punctuality and productivity, while others emphasize relationships and adaptability.
5. **Decision-Making Processes:** How decisions are made can differ from one culture to another, ranging from consensual decision-making to hierarchical decision-making. When decision-making styles are out of sync, tensions can arise. Global leaders must adjust their leadership styles to meet the needs of different cultures, as what works in one may not be successful in another.
6. **Work-Life Balance:** Work-life balance expectations can vary greatly from culture to culture. This can result in misunderstandings when workers from different cultures have different expectations when it comes to work and personal time.

Cultural Issues and Barriers Faced by Global Managers

Managers who are responsible for managing a global workforce often face a variety of challenges. This is largely due to the presence of distinct cultures among employees, which can have a detrimental effect on the business's operations and performance. The following are some of the most commonly acknowledged cultural challenges and obstacles that impede cultural adaptation.

1. **Parochialism:** What is parochialism? Parochialism is the idea that international companies operate in the same way as domestic companies. However, this is not the case. International companies have a higher level of responsibility and operate in different ways than domestic companies. People working in international companies often don't realise that their own culture is different from the new culture that the international company is developing. They may choose to stick to their existing ways of doing things rather than change with the times. This can lead to a situation where the new culture is ignored or not appreciated.
2. **Individualism:** Individualism is a phenomenon in which employees prioritize their own needs and desires over the overall well-being of the organization. This can lead to a culture of self-absorption and a lack of collaboration with colleagues. This can make it difficult for employees to be effective team members due to their preference for their self-interest over the collective well-being. This is often referred to as the "me first" mentality.
3. **Ethnocentrism:** Ethnocentricity is the belief that one's own culture, nation, or group is superior to that of others. It is the tendency to judge other cultures based on one's own beliefs and practices, believing that their culture is superior. This can result in misunderstandings and prejudice towards people from other cultures. It is similar to having a strong sense of loyalty to one's team and believing that that team is always superior to any other team.
4. **Cultural distance:** Cultural distance is a measure of the degree to which a culture is culturally distinct from another culture. It is analogous to a measure of the distance between two cultures in terms of their cultural beliefs, practices, values, and behaviour. The higher the cultural distance between cultures, the more distinct they are from one another. Cultural distance can have a significant impact on the ability of individuals from different cultures to communicate and collaborate. Adaptation and bridging cultural differences are often necessary for successful communication and collaboration.
5. **Culture shock:** Culture shock is a phenomenon in which individuals become disoriented, confused, and anxious when they come into contact with a culture that is unfamiliar to them. It occurs when they are exposed to a culture that is radically different from their own. This sudden alteration can leave them feeling overwhelmed and out of place, as well as struggling to adjust to the new cultural context. It can be described as a sense of being "shocked" by the differences that they encounter. However, with time, patience, and adaptability, culture shock can gradually subside as individuals become more comfortable with the new culture.

Managing Cultural Difference

In his 1997 paper, Adler (1997) stressed the importance of recognising the cultural differences within an organisation, whether it be local or global, and viewing them as opportunities rather than challenges. To achieve successful means of diversity management, Adler outlined strategies for managing cultural differences as ignoring cultural differences; minimising cultural differences; and managing cultural differences. In Cascio (1998), Adler was concerned about the need for managers to respect cultural differences at work and recognise the role of employees in reducing these differences.

Ignoring differences aligns with a parochial approach to organisation, where managers and employees view diversity as irrelevant and unhelpful, and instead focus on the notion that their methods of conducting business are the most effective. The focus is on reducing diversity to alleviate the difficulties associated with it and views cultural diversity management as a weak strategy. Conversely, a synergistic approach to organisational differences management is the most suitable strategy to address the need for cultural diversity. This approach assumes that the effects of diversity can be both positive and negative. It is based on the principle that "our way of doing things and their way of doing things are different, but neither is better than the other" (Luthans (1995). It mainly focused on managing the effects of cultural diversity, rather than simply ignoring them. Furthermore, organisations promote training for managers and employees to gain an understanding of how to manage cultural differences and use them to gain competitive advantage.

Cross-Cultural Training

Farren and Nelson (1999) introduced a strategy called cross-cultural training, which helps employees and managers learn and adapt to different cultures, an important management skill. This training aims to shape employees' attitudes when working with people from other cultures.

There are two effective ways to use this strategy

Provide training to a diverse group of employees, especially those with entry-level skills.

Offer training to managers to help them become more culturally diverse (Luthans, 1995).

Moreover, some cross-cultural training techniques have shown a certain level of success. These techniques include environmental briefing, cultural orientation, cultural assimilation, language training, sensitivity training, and field experience (Hodgetts and Luthans, 1994).

Top Management Support for Cultural Diversity Management

According to Hayes (1999), a crucial part of effectively managing cultural diversity is having full support from top management within a company. The success of diversity initiatives relies on the wholehearted backing of top executives (Hayes, 1999).

To achieve this, five essential steps must be taken

1. **Organisational Audit for Compliance:** Examine the organisation to determine whether diversity-related activities and decisions undertaken by the HR department, including recruitment, assessment, promotion, instruction, and remuneration, are by diversity objectives and criteria.
2. **Evaluate Employee Conditions:** Senior management needs to prioritize the assessment of whether employees from a variety of backgrounds feel at ease and content in their work environment. This can lead to improved well-being, increased motivation, improved job satisfaction, and dedication to both roles and the organisation.
3. **Clearly Define and Communicate Standards:** Top management communication is essential for setting clear performance criteria based on key job competencies, and these criteria should be set objectively and communicated using criteria.
4. **Regular Feedback:** Feedback is a fundamental factor in assessing employee performance. Employees must be educated on how to give and receive positive feedback. This assists in distinguishing between desirable and undesirable behaviour among a diverse workforce, thus enabling the organisation to promote positive behaviour and respond to negative behaviour.
5. **Customised Diversity Strategy:** Cultural diversity management is distinct from benchmarking, which is the practice of following the best practices of an organisation. Rather, cultural diversity management requires

managers to first adapt to their own culture, and then implement a diversity strategy that is in line with the adapted culture.

III. CONCLUSION

Organisations and managers around the world are confronted with a multitude of issues and challenges that necessitate effective responses from them to effectively manage cultural diversity and an ethnocentric workforce. These issues and challenges necessitate the development of strategies to comprehend and overcome them as they arise, both locally and globally. Examples of such challenges and obstacles include the concepts of autonomy, autonomy, ethnocentricity, cultural distinctions, and cultural shock.

The human resource department has a vital role to play in managing the effects of cultural diversity, as it can have both beneficial and detrimental effects on an organisation. The HR department has a key role to play in mitigating the adverse effects of cultural diversity on an organisation. Consequently, effective cultural diversity management is essential for maintaining a positive work atmosphere and assessing managerial competency on a global level.

To effectively manage cultural diversity, strategies such as a diversity strategy must be developed from within the organisation. It is equally important to have the support of the top management to ensure that these strategies, programs, and plans are successful. Without the support of senior management, any plans or strategies developed by managers may not be effective.

To sum up, organisations should not underestimate the difficulties and challenges associated with cultural diversity. Rather, they should incorporate strategies for cultural diversity management into their organisational strategies and initiatives to foster inclusivity and success in a heterogeneous global environment.

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