

## **A study on Cross cultural business environment**

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### **ABSTRACT**

In a global environment the ability to communicate effectively can be a challenge. Even when both parties speak the same language here can still be misunderstandings due to ethnic and cultural differences. Over the last decade, there have been countless examples from the business sector that demonstrate how poor communication can lead to poor organizational performance. Understanding the impact of globalization on cross-culture communication is imperative for organizations seeking to create a competitive advantage in the global market. Recent economic challenges further highlight the need for organizations to develop the internal communication capacity necessary to control and monitor external threats. As society becomes more globally connected the ability to communicate across cultural boundaries has gained increasing prominence. Global businesses must understand how to communicate with employees and customers from different cultures in order to fulfil the organization's mission and build value for stakeholders. The use of technology has had a profound impact on how businesses communicate globally and market their products and services. However, with the advancements in technology organizations must still be cognoscente of the culture nuisances that can potentially present obstacles in trying to increase profits and market share.

The study also high lights the action research methodology that was employed to design the cross-culture communication model. In conclusion, the4C's Global Leadership Model is introduced to demonstrate how organizational leaders can create innovation in a global environment by managing conflict, communication, creativity, and connectivity.

**Keywords: Globalization, Cross culture communication, Leadership, technology**

### **INTRODUCTION**

Communication is vital for businesses to effectively explain how their products and services differ from their competitors. Companies that are successfully able to communicate cross-culturally have a competitive advantage because they can devote more time and resources to conducting business and less time on internal and external communication issues. Communication is necessary for individuals to express themselves and to fulfil basic needs. The same holds true for businesses, governments, and countries. Without the ability to communicate and understand each other, there would be chaos. Communication that is based

on cultural understanding is more apt to prevent misunderstandings caused by personal biases and prejudices.

To analyse the cross cultural communication in business environment the objectives of the Indian Chamber of Commerce is taken into consideration. The ICC was Founded in 1925 and is the leading National Chamber of Commerce operating from Kolkata, and one of the most pro-active and forward-looking Chambers in the country today. The following are the objectives of the Indian chamber of commerce:

1. To Building membership
2. To improve membership value
3. Business delegation around the globe
4. Create awareness amongst businessmen
5. Technology transfer
6. Facilitate commercial interaction
7. Evolve business view

The main purpose of this study is to develop a cross-cultural communication model that can be applied by companies that communicate with employees from different cultures. The aim is to identify the steps that leaders of organizations competing in a global environment should consider when communicating to different cultures.

This study uses a group of college students participating in various International Student Conferences. The research methodology is based on the qualitative and quantitative aspects and also a comparative literature review is conducted and organizational examples of Reebok international and Tata Motors are considered to demonstrate the impact of globalization on cross-culture communication practices. In conclusion, the 4C's Global Leadership Model is introduced to demonstrate how organizational leaders can create innovation in a global environment by managing conflict, communication, creativity, and connectivity.

Research on cross-cultural communication often focuses on understanding how individual differences influence our ability to communicate with others. Since most individuals grow up within a single culture having to interact with others from a different culture or background can represent a challenge. Exposure to different cultures affects our ability to communicate with others in a way that leads to positive outcomes. This increased awareness helps an individual to manage their own cross-cultural behaviour as well as that of others.

Communication is the life-blood of organizations and must be allowed to flow throughout the entire organization. However, when information flows are random and there is no apparent directive of how to apply the outside knowledge the organization will not benefit. Productivity decreases when organizational leaders are not able to communicate clear and concise expectations. Furthermore, conflict and tension arises when employees do not understand how their personal efforts contribute to the overall success of the organization.

## Methodology

A qualitative and quantitative research strategy consisting of group observations, interviews, and surveys were used to gather information.

These methods are most appropriate because of the complexity involved in studying culture and communication from an individual perspective. By using these methods the researchers were able to ascertain underlying factors that are relevant to understanding the affects of culture on communication when two different groups interact with each other.

Participants were undergraduate and graduate students from India and the Srilanka .

A total of 50 students participated in the study out of which and 65% were female. 52% of the students resided in India and 48% in the Srilanka. Interestingly, 73% of all the students identified Indian culture as part of their ethnicity. 91%

Of the students were 19 to 23 years of age.

Five cultural measurements of acceptance, conflict, individualism, risk, and sharing were used to predict the country of residence. The table below shows the variables used in the study in order to identify the country of residence index:

Variable	Definition
Acceptance	A measure of how important it is for an individual to be liked and accepted by
Conflict	A measure of an individual's ability to
Individualism	An assessment of how independent an individual behaves in making
Risk	A measure of how open an individual is to trying new things and stepping outside of their comfort zone
Sharing	A measure of how willing an individual is to
Country of residence	The country identified as the primary place of residence

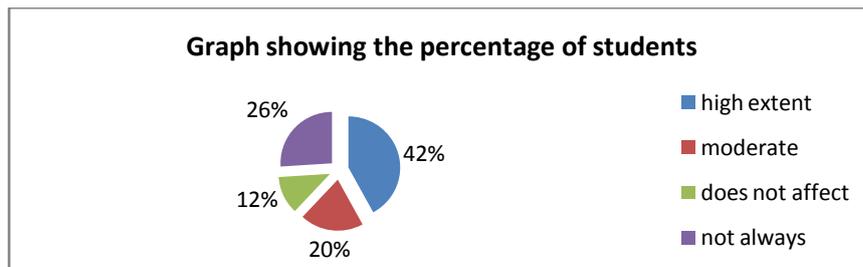
### Analysis and interpretation

**Table 1: Table showing cultural background affecting communication of students**

Particular	students	percentage
High extent	21	42
Moderate	10	20
Does not affect	6	12
Not always	13	26
Total	50	100

**Analysis:** from the above table we can analyse that out of 50 students, 21 students feel that the cultural background affects the way they communicate to a higher extent.

**Graph 1: Graph showing the percentage of students whose cultural background affects the communication**



### **Inference:**

From the above graph we can infer that 42% of the students out of 50 students feel that the cultural background affects communication to a higher extent

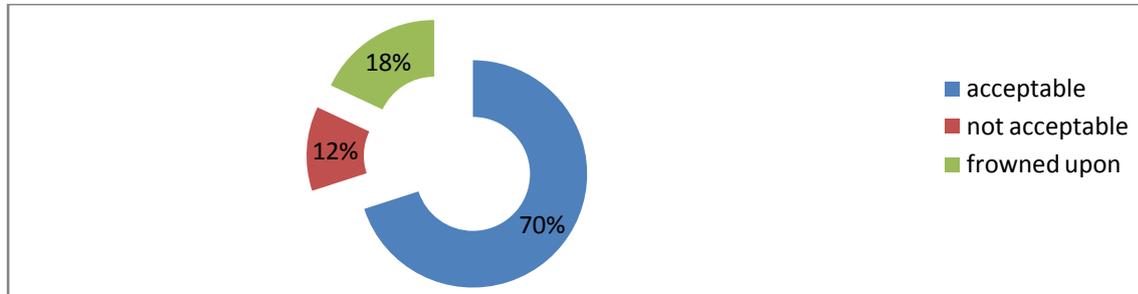
**Table 2: Table showing physical contact in communication**

Basis	Students	percentage
frowned upon	35	70%
Not accepted	6	12%
acceptable	9	18%
Total	50	100

### Analysis

From the above table we can analyse that 35 students out of 50 students feel that they are not comfortable with physical contact in communication

**Graph 2:** Graph showing physical contact in communication



### Inference:

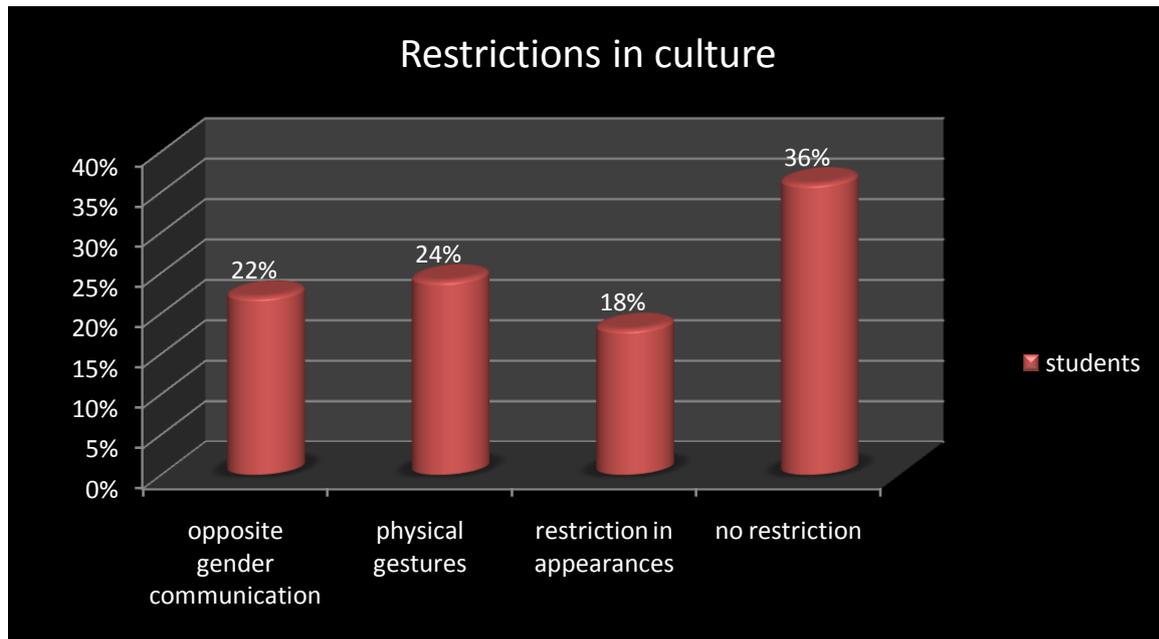
From the above graph we can infer that 70 % of the students feel that they are not comfortable in physical contact in communication.

**Table 3:** Table showing the restrictions in culture related to communication

Basis	Students	percentage
communicating with the opposite gender	11	22
physical gestures	12	24
restrictions in dressing/appearances	9	18
No restrictions	18	36
Total	50	100

### Analysis:

From the above table we can analyse that 18 students out of 50 students do not have any restrictions in culture.

**Graph3:** Graph showing the restrictions in culture related to communication**Inference:**

From the above graph we can infer that 36% of the students have no restrictions in their culture while communicating

**To analyse the cross culture communication and improve the business practices 2 MNC's was taken into consideration, Reebok international limited and Tata motors limited**

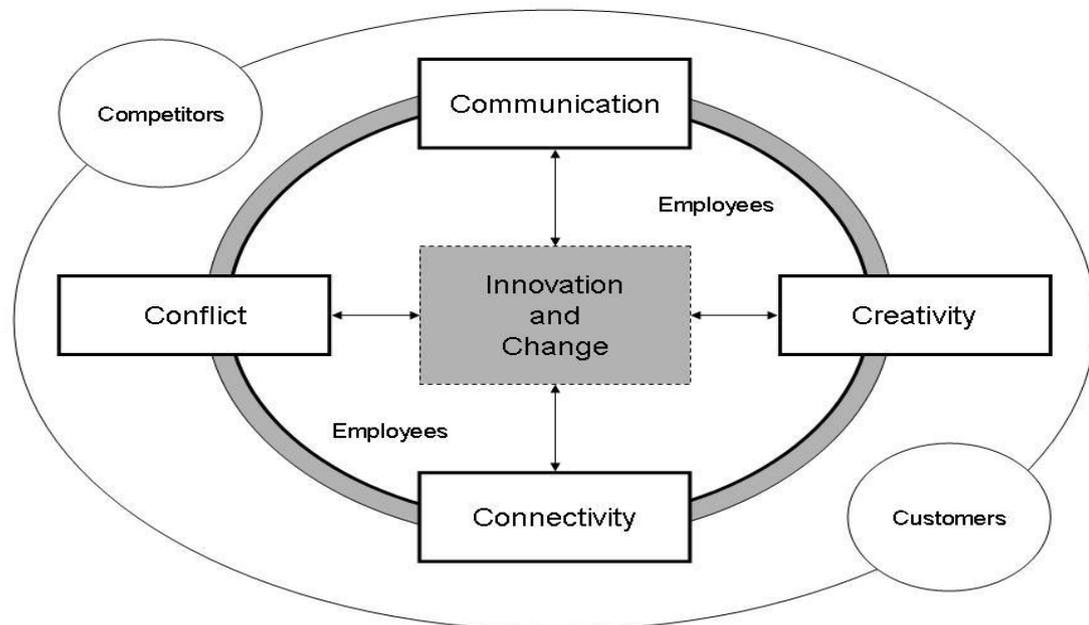
To illustrate how companies can utilize the cross-culture communication model to improve business practices consider the examples of Reebok international and Tata Motors was taken for the study. Reebok international is unique because of its focus on human resources and risk taking initiatives. Reebok international is recognized as a global leader because of its inner capacity to take advantage of distinct initiatives. The culture of the organization is very family centric. Decisions occur in a collective atmosphere that allows for communication at all levels of the organization. However, even when decisions are clearly communicated throughout the organization employees may not always show support.

The reason for Reebok international's change was to get employees to be more team oriented and more productive. Changing the hours of the work day required employee to work together and it also required managers and supervisors to have a more active role in completing daily tasks. Now employees have to proactively plan their work day in order to ensure that everything is accomplished in a timely fashion. Therefore Reebok international has been able to become a global leader because of its commitment to the development of technological capabilities.

Tata Motors established itself as company that focuses on quality improvement and innovation. For this expansion to take place requires effective communication that is able to overcome cultural barriers and accomplish global management initiatives. Research revealed that Tata Motors' achievement at globalization depended upon its ability to expand international sales as it gained experience in international markets. The move from domestic to global production means Tata Motors must operate in "unfamiliar and uncertain economic and cultural contexts". Over the years Tata Motors has learned valuable lessons on the importance of knowing and valuing the needs of its customers.

The cross cultural impact of the organization can be illustrated through the following model:

#### 4 C's Global Leadership Model: Supporting Innovation and Change



A comparison of leadership strategies between Reebok International and Tata Motors provides the basis for developing the 4C's Global Leadership Model that can be employed by organizations to make certain that they have the right person for the job. The model consists of our key factors: communication, conflict, creativity, and connectivity. Being aware of what types of individuals make good global leaders allows the organization to develop HR policies to support recruitment and succession. By creating a pipeline of capable global leaders the organization is able to sustain innovation and change.

Leaders are the main link responsible for harnessing the ideas of employees to create innovation. They must also assess the development of their competitors and the needs of customers. Bringing together individuals from different cultural backgrounds will lead to conflict; however, this does not have to be perceived as a negative. The challenge for global leaders is to use the conflict as a benefit for the organization.

#### CONCLUSION

The cross-culture communication model developed from this study provides a mechanism for obtaining feedback from the global market. The model identifies the barriers to cross-culture communication and summarizes the outcomes that can be achieved when these barriers are tackled. "Many misunderstandings have occurred, not only because of mistakes in the usage of words or expressions, but also because of the lack of goodwill and cultural knowledge".

Mistakes are a part of life and at times if we are not careful our mistakes can have lasting consequences. "We can make mistakes as long as we can correct mistakes. We can get feedback from the global market".

The results of the study verified that the five independent variables of acceptance, conflict, individualism, risk, and sharing could be used to predict country residence. A limitation to this study was the small sample size that was used. In order to validate the validity and reliability of the study a larger sample size should be used in future studies and also leadership is the foundation to cross-functionality because it provides the oversight and direction necessary for it

to work. Leaders that are innovators are receptive to change and value feedback from those around them.

Communication helps to moderate the relationship between conflict and innovation. This fact is further more impacted by the complexity of competing in global environment. Leaders must be aware of the communication styles that are needed when working with multi-cultural teams. The use of email, conference calls and other technological innovation to communicate need to be addressed to ensure that all members are able to participate fully. When members feel they are not able to communicate openly innovation is hindered and the organization suffers.

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