

ISSUE OF CULTURAL DIFFERENCES IN GLOBALLY DISTRIBUTED WORK

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In today's business environment, the importance of globally distributed work cannot be emphasized more. Clearly, it is now possible for more people than ever to collaborate and compete in real time with more other people on more different kinds of work from more different corners of the planet and on a more equal footing than at any previous time in the history of the world-using computers, e-mail, networks, teleconferencing, and dynamic new software. Workforce demographics are changing and it is becoming more diverse in today's global village. Creating unanimity in a diverse workforce is very important. Diverse cultural workforce requires Global corporate culture. The challenge of managing GDW comes not just from the vast distances involved, but also from the cultural, political, legal, and economic differences among countries and their people. The paper analyses in detail the various cultural issues that can act as an impediment for the success of GDW along with the suggestions and solutions for the eradication of these issues.

1. INTRODUCTION.

In the last two decades we have seen a remarkable decomposition of corporate functions, ranging from R&D and manufacturing to sales/marketing and financing. It is now common within an individual company for these functions to be located across national borders- for example, R&D in Switzerland, engineering in India, manufacturing in China, financing in London, while the marketing function and HQ remain in the United States.

It includes both outsourced work as well as work distributed to and conducted at MNC-owned or partnered companies and work-units at various sites around the globe. Globally distributed work has created a platform where intellectual work, intellectual capital, could be delivered from anywhere. It could be disaggregated, delivered, distributed, produced, and put back together again-and this gives a whole new degree of freedom to the way we do work, especially work of an intellectual nature in which human resource are very important.

The paper starts with discussing the need for GDW in today's global scenario. Then the challenges posed by GDW across businesses are studied. The cultural issue emerges as an important challenge and so the need for cultural sensitivity is delved in the next subsection. The prominent cultures which are the key global players in the marked are examined for analysis and comparison. Then the various cultural issues that have become inevitable for a successful GDW like motivation, negotiation etc are explored. The paper then suggests the various solutions for eradicating the relevant problems in GDW.

2. NEED FOR GDW.

The world is one huge arena for economic activity, no longer compartmentalized by barriers. The interconnected, interactive, global economy is a reality. It challenges both the way we see business and the way we do business. The various advantages are:-

- Opportunities in other markets - When the overseas markets are showing high-growth rates, it makes sense to distribute operations focusing on these markets.
- Cost Control - Work which is geographically distributed increases the ability of a company to control costs. For example the labor - cost advantage in India is effectively exploited by various companies.

influx of economic migrants. Companies today deal with international markets and deal with clients, customers and colleagues from across the globe. Foreign language is critical as global travel has become indispensable. Internet, satellite technology and mobile phones have really made the world a global village. Thus cross cultural interaction has become a part of our daily lives which requires a lot of cultural sensitivity.

5. STUDY OF CULTURES ACROSS THE GLOBE.

Culture is an embodiment of values, knowledge, traditions, taboos, habits and behavior that passes from generation to generation. The influence of culture on the lifestyles of people is significant. Culture is not static; it is a process of development.

Cultural miscommunication happens due to reasons like history of the nations, history of the language, stereotyping of people. Analyzing on these factors a comparative study on four major cultures show the following differences:

	USA	UK	China	India
Level of Formality	A comparatively decent mixture of formality and informality in relationships.	Highly formal in behavior	Formal in behavior	Formal in behavior moving towards informality
Nature of people	Importance is given to individual values rather than collective values.	Highly domineering nature	Superiority of society's good over individual's good	An equal balance in the importance of the society's and the individual's good
History of political scenario	Existence of Political and Legal equality.	History of Crown's Rule	History of subjugation to Colonial rule	History of subjugation to Colonial rule
Current political scenario	Democratic	Parliamentary supremacy	Democratic	Democratic with a positive political scenario
Economy	Capitalistic and Liberal	Capitalistic and Liberal	History of Communism	A unique mixture of Socialism with Liberalism
Importance to culture	Upward mobility is the American dream and there is a compromise on the values.	Proper balance between tradition Vs modernism	Highly rooted in ancient values and cultures	Deeply rooted in culture

6. IMPORTANT CULTURAL ISSUES IN GDW.

6.1 Motivation

Motivation is a very important function that requires serious consideration while learning to handle a multi cultural organization. It's done usually with the help of the various theories. Most of the theories that are in practice are found to be culture specific. These theories were evolved in the US by Americans. Thus, these theories appear to have a bias

scene in informal clothes. Europeans and Filipinos are fairly a formal. But Japanese approach negotiations formally. Dressed in very formal business suits, the Japanese start any negotiation with a business card, with different styles of card presentations that aim to show courtesy and politeness to the other party.

- Preliminaries:

Japanese have long preliminaries in any business negotiation, which can begin with a tea ceremony and end with a golf game. Some of the very important business deals are made on golf courses. Unlike Japanese, Americans and Filipinos tend to have straight to the point introductions. Europeans are said to have few preliminaries.

- Aggressiveness:

Americans can be aggressive in their tactics. Europeans are persuasive like the Filipinos but the Japanese resort to consensus tactics. In the business deals, the Japanese and Filipinos focus on the long term deals while Americans focus on the best deals. Americans and Filipinos give fair deals, Europeans resort to reasonable, Japanese to sky-high offers.

- Status:

Americans define status as the measure of material success. The Europeans and Filipinos define status by background (family, lineage, etc) and the Japanese define status by position.

6.3 Cross cultural Communication

A study of the role of culture in international communication properly begins with two qualifying statements.

First, culture is often improperly assumed to be the cause of miscommunication. Often it is confused with other human elements involved. We must remember that communication between people of different cultures involves the same problems of human behavior that are involved when people of the same culture communicate. In either case, people can be belligerent, arrogant, prejudiced, insensitive or biased. The miscommunication due to these types of behavior is not a product of culture.

Second, one must take care not to over generalize the practices within a culture. In all cultures, subcultures are present and what may be the practice in one segment maybe unheard in the other segment. Within a culture townspeople differ from the poor, and the educated differ from the uneducated. Clearly, the subject of culture is highly complex and should not be reduced to simple generalizations.

People living in different countries have developed not only different ways to interpret events. They have different habits, different values, and different ways to relating to each other. These differences are a major source of problems when people of different cultures try to communicate. Unfortunately, they tend to view the ways of their culture as normal and the ways of other cultures as bad, wrong and peculiar.

Specifically these problems are related to two kinds of cultural differences:

- Differences in body positions and movements

Communication with body parts hands, arms, head etc varies by culture. For example the following list shows some common types of handshakes:

Culture	Handshake
Americans	Firm
Germans	Brusque, firm, repeated
French	Light, quick, repeated
British	Soft
Hispanics	Moderate grasp, repeated
Latin Americans	Firm, long lasting
Middle Easterners	Gentle, repeated
Asians (except for Korean)	Gentle

translator then translates the message back into the original. If the translations are good, the second translation matches the original.

- Difficulties in using English :

When Executives have no common language, they are likely to use English. The members of the European Free Trade Association conduct all their business in English even though not even one of them is a native English speaker.

“English has emerged as the *lingua franca* of the world commerce in much the same way that Greek did in the Ancient world of the West and China did in the East.”

Since many of the employees have had to learn English as a second language, they are less fluent and do experience problems in understanding. Some of their more troublesome problems are reviewed as follows:

Two Word Verbs: By two word verb we mean a wording consisting of (1) a verb and (2) a second element that the verb alone does not have. For example, the verb break and the word up when combined, they have a meaning quite different from the meanings the words have alone. Look at the meanings that change when the same verb is combined with other words forming: break away, break away, break out, break in, break down etc. Regular dictionaries are of little help to non natives who are seeking the meanings of these meanings of these word combinations.

Of course, non natives studying English learn some of these word combinations, for they are a part of the English language. But many of them are not covered in language textbooks and dictionaries. It is apparent that such word combinations must be used sparingly when communicating with non native speakers of English.

Culturally derived words: Words derived from our culture also present problems. The most apparent are the slang expressions that continually come into and go out of use. Most slang words are not in dictionaries or on the word lists that non-English speaking people study to learn English. The obvious conclusion is that slang should not be used in cross cultural communication.

Similar to these words and expressions developed within any culture (colloquialisms), some of these have similar meanings in other cultures, but most are difficult for non natives to understand.

6.5 Values and international staffing policy

Experts sometimes classify top executives values as ethnocentric, polycentric or geocentric and these values translate into corresponding corporate behaviors and policies. In an ethnocentrically run corporation, the prevailing attitude is that home country attitudes, management style, knowledge, evaluation criteria and managers are superiors to anything that the host country might have to offer. Geocentric Executives believe they must scour the firm’s whole management staff on a global basis, on the assumption that the best manager of a specific position anywhere may be in any of the countries in which the firm operates. With an Ethnocentric staffing policy, the firm fills key management jobs with parent country nationals. At Royal Dutch Shell, for instance, most financial officers around the world are Dutch nationals. Reasons for the ethnocentric staffing policies include lack of qualified host-country senior management talent, a desire to maintain a unified corporate culture and tighter control.

A polycentric oriented firm would staff its foreign subsidiaries with host country nationals, and its home office with parent country nationals. This reduces cross cultural miscommunications and is less expensive.

A geocentric staffing policy seeks “the best people for key jobs throughout the organization, regardless of nationality” similar to what Ford Motor Company does. This lets the global firm use its human resources in the best possible way by transferring the best person to the open job, wherever he or she may be.

7.0 SOLUTIONS AND SUGGESTIONS FOR ERADICATING CULTURAL PROBLEMS IN GDW.

Each of the following solutions proposed addresses to the various if not all the cultural issues that were explored in the previous section. The practitioners can select the appropriate package consisting of one or more of the suggestions provided depending upon the various cultural issues prevailing in their organization.

expediting the transfer of documents. Ads placed in International Herald Tribune also appear in the paper's online edition.

Seeking "global" employees doesn't have to mean just hiring employees to work in a different country. With business increasingly becoming multinational," every employee needs to have a certain level of global awareness...." Employees should start looking for people with global potential in the sense they should be able to relocate themselves globally and handle that adjustment well." International experience (including internships and considerate travel abroad) as well as language proficiency are the two things for which employers should look.

7.4 Training and Maintaining International Employees :(special international HR policies)

Careful screening is just the first step in ensuring the foreign assignee's success. The employee may then require special training, and the firm will also need special international HR policies for compensating the firm's overseas employees and for maintaining healthy labor relations.

7.5 Orienting and training Employees on International Assignment

What sort of special training do overseas candidates need? It can be described as the following four step procedure:

Level 1: training focuses on the impact of cultural differences and on raising trainees' awareness of such differences and their impact on the business outcomes.

Level 2 aims at getting participants to understand how attitudes (both negative and positive) are formed and how they influence behavior (for example unfavorable stereotypes may subconsciously influence how a new manager responds to and treats his or her foreign subordinates)

Level 3 training provides factual information about the target country.

Level 4 provides skill building in areas like language and adjustment and adaptation skills.

7.6 Performance Appraisal of International Managers

Several things complicate the task of appraising an expatriate's performance. The question of who actually appraises is crucial. Obviously local management must have some input, but cultural differences can distort the appraisals.

Following suggestions can be taken to improve the expatriate appraisal process:

- Stipulate the assignment's difficulty level. Most would view being an expatriate manager in China more difficult than working in England; the appraisal should take into account such difficulty level differences.
- Weigh the evaluation more toward the on site manager's appraisal than toward the home site manager's distant perceptions of the employee's performance.
- If (as usual is the case) the home office manager does the actual written appraisal, have him or her use a former expatriate from the same overseas location for advice. This help ensures consideration of unique cultural and local issues during the appraisal.
- Modify the normal performance criteria used for that particular position to fit the cultural and overseas position. For example "maintaining positive labor relations" might be more important in Chile, where labor instability is more common, than in the U.S.

7.7 International labor Relations

Even a firm's opening subsidiaries abroad will find substantial differences in labor relations practices among the world's countries and regions.

The following synopsis illustrates some of these labor relations differences by focusing on Europe. Similar significant differences would exist as move say to South and Central America and to Asia.

- Centralization: In general, collective bargaining in Western Europe is likely to be industry wide or region wide oriented, whereas in the U.S it generally occurs at the enterprise or plant level.