MULTICULTURISM MANAGEMENT FOR RECONCILING THE DIFFERENCES

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ABSTRACT

There is no denying of the reality that globalization will persuade the companies, almost in all the hues, to progressively embark on global operations. This paper discusses the worth of increasing the pervasiveness of multi-cultures in organizations as a way of facilitating varied advantageous developments in cultural progression.

The paper portrays the vision of happy and enduring combination of Western Management techniques with practices of Eastern management. The combination can result in value – based holistic approach with specific reference to Indian Management in the new millennium.

Recent research on psychological flexibility related to multi-cultural management suggests that helping people to accept, but not believe, their unpleasant thoughts and feelings contributes to people becoming more caring. This paper reviews this aspect also by assuming that cross cultural interactions being positive as well as negative, make the subject more challenging and interesting. The examples in the succeeding paragraphs will further signify the importance of the concept.

Keywords: *Multiculturism, Western & Eastern Management Techniques, Cultural Dynamics, Micro and Macro Level Perspectives.*

1. INTRODUCTION

Multi-cultural management studies the behaviour of people in organizations around the world and trains people to work with harmony in organizations with employee and client populations. It describes organizational behaviour within countries and cultures; compares organizational behaviour across cultures and countries and possibly, most significantly, seeks to comprehend and perk up the interaction of co-workers, clients, suppliers, and coalition partners from different countries and cultures. Also known as cross-cultural management, it expands the span of domestic management to include the international and multicultural spheres.

Managers must be able to sense and intepret complex and dynamic environmental changes; able to develop & integrate multiple strategic capabilities; able to build & manage the new organisations required to link these sensing and response capabilities; and deliver coordinated action on a world-wide basis [1].

The advent of multi-culturism management has gained a intense and authoritative worldwide authority on the template of socio-economic activity the globe over. It is transforming the manner people manage people. Beginning with a dialogue about man and culture is vital to review this multicultural revolution.

2. MAN-THE CRITICAL FACTOR

"The vital functional approach for an international enterprises is the conception, organization and management of multi-cultural teams – groups that symbolize multiplicity in purposeful capability, experience levels and cultural backgrounds" [2].

Management consists of ten letters of which focal point is first three alphabets MAN. The remaining seven alphabets connote – authority, Government, environment, material, ethics, nation or society and time, respectively. These seven alphabets act like satellites of the epic-centre MAN, which though derive power by revolving around this epic-centre, but also radiate in the process to influence the center. Man is the nerve center of the organization and society. Principles, practices and techniques of management help man to be as perfect as possible by making up deficiencies so as to reduce the incidence of wastage in human and materials resources in realizing this object.

Behavior is the function of man and environments. His attitude, value system and perception duly insulated with social beliefs and customs are reflected in his personality composition and behaviour. Social ethics and components of culture in the form of social beliefs, customs, values, etc., should not be provided as barriers but pay-offs for better management culture. We cannot understand our employees if we refuse to recognize their identity and insist on seeing them in our terms. It is only by means of empathetic understanding that we cross the space that separates us from other individuals and understand why they view and respond to the world in a certain manner. Multicultarism management gives the opportunity to break the prison of our own limited world by developing the ability to enrich and expand.

3.   CULTURAL DYNAMICS WITH A CHANGING FACE

The study of cultural dynamics is important as culture plays a crucial role in personality development, socialization of culture and individual-organizational behaviour. "Culture or civilization, taken in its wide ethnographic sense is that complex whole which includes knowledge, belief, art, morale, law, custom and
any other capabilities and habits acquired by man as a member of society[3].

As Radcliffe Brown states – Culture, the components of environments, engraves an inedible mark on personality development of man. Behaviour of people is determined by their cultures which are manifested in terms of ideologies, values and social roles. In fact, culture dictates "dos" and "don'ts". It is the culture which develops the management qualities of sovereignty, hostility, competitiveness and co-operation. The studies made by Paul C. Nystrom and Willam G. Starbuck indicate that employees from cultures that emphasize independence are likely to be most comfortable with personnel policies and organizational structures that permit to act as individuals, autonomously and with little dependence on others. By contrast, employees from cultures that emphasize conformity will be more satisfied if the social environment of the organization is highly structures. Employees from cultures where independence is valued would find agreeable to those job environments in which interdependence is required for successful performance [4].

Multiculturism management is an approach that is based upon democratic values and belief, and seeks to foster cultural pluralism within culturally diverse organization and an interdependent environment. It signifies the fostering of recognition, understanding and appreciation for all cultural groups and the development of skills in working with members of the different groups.

Many companies wishing to investigate potentially rewarding opportunities in overseas markets experience unanticipated hurdles in the shape of culture clashes among human resources. Culture in fact exists on a national and corporate level. ***The challenge for international business is not only to be conscious of culture differences and respect them but also to reconcile the differences. Transnational companies do more than comprehend their cultural differences with other countries. They reconcile them.***

Attempting to break in foreign market is a risky endeavor, one that has many U.S. companies still scratching their heads. The current potency in new growth markets like India and Brazil, the steady opening of China's economy and the materialization of former Eastern-bloc countries has offered American business with innovative opportunities. Nevertheless experts agree that U.S. business ventures often shipwreck on the shores of foreign coasts because of a lack of cultural alignment. According to Ruth Stanat, President of SIS International, Fort Wayne, Ind., and author of Global Gold (AMACOM, 1998), "More than 40 percent of companies that try going international fail. The reason, even today, is culture, culture, culture. A lot of people still haven't gotten it."

"Although most business leaders are aware of a thing out there called culture, they are aware of it only in a superficial manner," adds John Cebrowski, President of Sales Builders Inc., a consulting firm in Fairfax, Va. "Culture is not just about knowing not to clean your plate in Thailand or being careful not to show the soles of your feet in Saudi Arabia"[5].

The following table clarifies the composition of U.S. Asian market which gives a clear picture of vitality of cross-cultural management in different countries [6].

Table 1. Heritage make-up of the U.S. Asian market

Chinese	2 million
Filipino	1.8 million
Korean	1.3 million
Japanese	1.2 million
Asian-Indian	1.1 million
Vietnamese	1 million
Southeast Asian*	500,000
Pacific Islander**	400,000
Other Asian	300,000
*Cambodian, Hmong, Laotian, Thai	
**Does not include legal and temporary residents or foreign students	
Source: Rounded figures based on 1990 U.S. Census and Kang & Lee Advertising	

4.   MULTICULTURISM MANAGEMENT: THE MICRO LEVEL PERSPECTIVE

The socialization of culture radiates social ethos to insulate individual and group behaviour while managing them. Cultural attributes and values do affect greatly the management part. That is why, a sharp difference is noticeable in the management patterns of people living in different areas. For instance, people brought up in Western culture develop traits of independence, autonomy, a materialistic called pragmatic outlook of much less emotional attachment to the organization in which they are working. On the other hand, people brought up in orient culture are found to be dependent, obedient, emotionally committed to organization and the work place. The basic reason for this difference is the personality development in a given cultural environment which determines behaviour of man.

But then, what is culture? Fons Trompenaars, President of United Notions, an Amsterdam-based management consulting firm, defines culture as "the way a group of people solves problems and reconciles dilemmas." As such, culture clashes can crop up between the policies of parent firm and the norms and values of employees in foreign subsidiaries, between parent firm's managers and their foreign counterparts, or between parent firms and their potential trading partners abroad [7]. Certainly, culture exists on a national and a corporate level. In trying to infiltrate a country by means of direct sales, bidding for a government contract or establishing a bond with a foreign company, differences in culture can escort to miscommunications, employee antipathy and meager public relations. Trompenaars, whose company has assisted multinationals such as Shell, Motorola and ABB in adapting to new cultures, says that being conscious of differences and even respecting them is not enough. He defines the next cutting edge of international business as reconciliation, whereby a company deals with the very tensions that exist between cultural values to create dynamic solutions.

5.   THE MACRO LEVEL PERSPECTIVE

"Eastern Wisdom and insight stressing combination of inner development and material growth enables Eastern wisdom to act basis of Western management".

Obviously, global managers of the new Millennium should have a judicial combination of cross cultures and cross cultural environments which get molded into global culture environment. The Western Management represented by "Management by Materialism" has resulted in unique science and technology development ultimately resulting in phenomenal material prosperity of developed countries. Management acted for making profits at any cost. This gave them external growth at the cost of internal or inner growth. Man as a human being stands no where. There is no human approach based on ethical and human values. In a tall hierarchical structure, the human touch is at minimum [8].

Management culture at macro level consists of Western management approach and Eastern management approach. The western management, basically introduced by Americans, is dominated by science and technology. It is based on materialism which gives superior value to machinery and materials. Workers are treated as articles of trade and their efficiency ratio is based on financial incentive. This indicates the present management which is practiced, refined and sophisticated in 20th century, the highest disadvantageous part of it is crisis of values – spiritual, human and ethical, and through it has given most sophisticated science and technology to advanced countries [9].

On the other side, eastern management is based on both, quality of work life and quality of output of goods. Such a conscious approach is advocated by Japan mainly and, therefore, it is many times also called as Japanese management.

The differential attitude of Western vs. Eastern management can very well be observed in following table on comparative picture of Management Today and Tomorrow [10]:

Table 2. Western Vs. Eastern management techniques

Sr. No	Elements	Western approach	Eastern Approach
1	Belief	Production, productivity, profit at any cost.	Material gain, with belief in archiving human and social welfare also.
2	Guidance	Soulless management guided by mind, ego and desire.	Interiorized management guided by consciousness and soul.
3	Emphasis	Profit maximization.	Development of men.
4	Tool	5 Ms are Resources: men, money, materials, machines, markets.	Men, machine, materials and methods as conscious partners.
5	Problem solving	By negotiation, compromise, arbitration and liquidation.	By integration harmony and unity
6	Decision solving	Brain-storming (Round the table approach)	Brain-stilling (Room of silence).
7	Development process	Physical and Mental. Soul/Spirit ignored. Material development.	Integrated development, human enrichment and total quality.
8	Approach	External behaviour, mental, material and selfish.	Noble attitudes, team spirit, inner guidance.
9	Management	Getting things done.	Helping others to produce extraordinary results.
10	Planning	Mgt. By results.	Mgt. By strategy.
11	Productivity	Of plant.	Of men
12	Motivation	Maslow's theory of needs.	Self-motivation & autonomy.
13	Resources	External	Internal
14	Health of company	Money-oriented B/s and P&L A/c.	People-oriented, environment friendly.
15	Profitability	money	Public image, trust of customers & society.
16	Hygiene factor	Job-enrichment.	Mind-enrichment.
17	Rights	Primary	Subsidiary
	Duties	Secondary	Primary
18	Structure	Hierarchical	Autonomous
19	Training	Function-oriented.	Value-oriented
20	Quality	Product quality by I.S.O., T.Q.M., Q.C., etc	Human quality by values, character, mind level

Thus is can be seen that western management gives best treatments to material achievement with least value to human factor while eastern management gives equal treatment to mental and material growth. To a great extent, Indian management is in parity with eastern management.

6. SYNCHRONISING THE EAST & WEST: IS IT POSSIBLE?

"The point here is, can we crack the culture codes of the South, West and the East?"
With the shrinkage of globe, global strategies and approaches to manage diverse workers have become a new requirement for managers. Value differences result in dissimilar results of single motivation approach or reviews across the workers. This is because of value differences which may result in misunderstandings and inaccurate perceptions when the work situation is culturally diverse. Proficiency in exercising influence in a variety of culturally mixed situations is the need of the hour today. This is specially applicable to MNCs because of unique Eastern and Western cultures. Behavior is any form of human action is based on culture.

6.1 Managerial behavior across cultures

It basically relates to managerial beliefs about the role of authority and power in the organization. For example, in Indonesia, Italy and Japan managers tend to believe that the purpose of an organization structure is to allow employees to recognize who the leader or the boss is. However, believing that organizational structure is intended to coordinate group behavior and effort is the basic philosophy of United States, Germany and Great Britain. The perception gap widens when Italians and German managers believe that bypassing one's boss to get things done is acceptable. Japanese place expertise and experience at elevated position while Swedish consider problem – solvents and facilitators as vital trait of an executive.

6.2 Ethics across cultures

Difference do stem out from ethical grounds too. If a Japanese Airlines jet get crashed, the office bearers look for making funeral arrangements, apologies and if possible, compensate the victim's family members and may even resign. This behavioral pattern is rarely possible in U. S. executives. The difference between two business cultures enters around different definitions of delegation. The U. S. executives give responsibility and authority to their employees, while Japanese executive delegate only authority, keeping themselves responsible for all the effects.

6.3 Motivation across cultures

The Americans get motivated by individual recognition and awards while Japanese prefer group awards and security. Middle East countries like India move along Maslow's hierarchical structure while social needs dominate Sewdish and Norwegain cultures. This creates the need of such motivational strategy which finds answer to why people do what they do [11].
The companies that do this best are transnational, not international. They don't simply accept differences and tread softly around them; they employ them to blend approaches and invigorate the organization to accomplish ordinary goals.

7. THE POT POURRI OF INDIAN MULTICULTURISM MANAGEMENT

In Indian management, material and spiritual aspects of human factor are given equal emphasis. The modern management of Indians is based on holistic approach. All aspects of management, administration and training just think over the philosophy and technique of Japanese management. "One of the vital of it is Zen meditation which gave Japan disciplined and trained minds –an Indian contribution witch India herself, in recent centuries, failed to utilize and profit from, we depended solely on an amalgam of rituals and ceremonies, magic and miracles and superstition in religion and on the stuffing of minds in education theoretically". The director of one of the blue-chip company – Matsushita Electric Company of Japan states.

"Matsushita's management philosophy is very important to us. It enables us to match Western efficiency without being one bit less Japanese. Perhaps the ultimate triumph of Matsushita is the balancing of the rationalism of the West with the spiritualism of the East"[12].
Signs of conflicts are found in majority of joints ventures in different countries. For instance, in an Indo-Korean textile joint venture employees went on a flash strike against the high – handedness of Korean managers. The top brass of L.G. Electronics at Seoul issued instructions to Delhi headquarters that the women employees would wear skirts. This met with fierce resistance. Such examples are galore which show lack of understanding about multiculturism aspect within organization. Even Japanese companies had to face the same problem when they

entered Indian arena as the concept of fixed working hours and no holidays in Japanese companies could not find acceptance in Indian culture. Thus Understanding cultural differences, and managing the diversity intrinsic to a globalised work ethos, will be critical for the success of many companies. The non-synchronised cultures pose the danger of defeating the very purpose of alliance itself.

8. LEARNING FROM THE EXPERIENCES
Many companies do have international divisions that correspond with a single U.S.-based executive. This structure may limit the understanding of overseas operations and cultural issues to a core group of people rather than extending it throughout the organization. But there are certain cases that could be quoted:

8.1   Case of Hartford – Redefining the Values

Culture clashes between U.S. companies and local affiliates or subsidiaries, like the ones experienced by The Hartford, generally upshot from the need to homogenize systems and procedures. When this company went for foreign subsidiary, its needs came in variance with the market uniqueness, legislation, fiscal policies and cultures of other countries in which subsidiaries where established. They found a way to this problem of evading such clashes by differentiating between company's core values and its strategic values.
Core values were redefined as those needed for the company's existence. Core values included provided supreme customer value, caring for the environment and treating people as the company's greatest assets. Strategic values, on the other hand, were defined as the policies and procedures recognized to accomplish those core values. Pay-for-performance, management by objectives and 360-degree feedback were examples of these types of values. It was also resolved that if a particular policy does not work in a given cultural context, the company should be prepared to replace it with one that does.

8.2   Case of the Brazilian subsidiary of Carrier Corp.-Use of an agent

This company experienced a cultural problem in 1996 that was costing it upwards of $1 million a year, according to Jim Morrissey, President of Integrity Surveys International, Fayetteville, New York and the former director of Human resources in Latin America for Carrier Corp. The subsidiary had a very high reject rate for air-conditioning units. One day when Morrissey was walking the factory floor and speaking with employees, one female worker told him the high rate was due to an improperly manufactured plastic part that controlled airflow into an orifice(jaws). It turned out that the problem was undoubtedly understood on the factory floor. But Brazilian culture forbids workers from providing feedback or discussing alternative solutions to shop problems with supervisors. "She wasn't expected to point this out to a supervisor, much less go to the source, which was [the] injection molding [department]," Morrissey says. To overcome this problem, Carrier needed to do more than implement a vague leadership training program for its Brazilian supervisors. The underlying conflict between good business practices as Carrier saw them and the local culture, which erected communication barriers between line workers and supervisors, needed to be resolved. But Morrissey didn't want to be seen as imposing a solution. "Whenever there's a change initiative from abroad, it will get rejected," he says.
Instead, Morrissey took his managers to visit a local company run by Brazilians that had implemented self-directed teams. Indirectly, the managers of this company championed the ideas, such as teamwork and empowerment that Morrissey was hoping to instill. He says Carrier's Brazilian supervisors took great interest in what they saw and responded in a much more positive way than if he had tried to sell the program himself.
Companies like Carrier achieve reconciliation through the use of an agent - a local intermediary who shares the values of both the indigenous culture and the corporate culture. The local champion may be a company your subsidiary can emulate or an individual who serves as a bridge between the two cultures. The same was the case with Litton Industries, a U.S. company, to run its struggling Scottish subsidiary, Litton Interconnection Products (IPD), in 1991. They hired George Black who was Scottish but implemented George Black "textbook American management practices," to give solutions the parent company.

8.3 Mac Temp's Boston- Learning the technological differences

This IT based company had sent the Paris office training slides with shortcut keys that didn't work on French versions of software. This happened because the firm's computerized customer satisfaction surveys used an updated version which was not available in France. "Our other operations upgraded but we couldn't in France. So we don't do

them anymore," Benatek-the IT head states. As a result, French operations are less in touch with customer needs than the company's U.S. operations. Benatek suggests that Mac Temps send U.S. operational managers to Paris for extended periods to learn about technological and cultural differences.

9.   THE EPILOGUE

One of the most complex jobs in any company is the manager who acts as a liaison between corporate headquarters and the foreign offices. Difficulties arise because senior management can't recognize why its cautiously shaped strategies may not apply in a different context. This is very often the case when top management has limited international experience, which happens quite a bit. Global management is based on holistic universal consciousness. In this context, value-driven holistic approach in management and organization is best. Appropriate combination of Eastern and Western management provides judicious internal (subjective) and external (objective) or spiritual and material development and prosperity. Indian management in this century must develop a whole-man approach.

Let East and West go together in the global growth. India, Japan, China, Germany and Israel started economic reconstruction near about the same time. Japan and Germany faced war effects while India faced the aftermath of partition. But Japan, China, Germany, Israel and even Korea and Malaysia have made tremendous progress and became powerful economies. We need professional managers, who are intellectually alert, operate on the frontiers of knowledge and are socially involved.

Indian companies like Hindustan Lever Ltd. (HLL), Philips, ITC and Reliance are the cases in point which have done explicitly well and excelled on cross cultural front. Quoting the statements made by management consultant C.K. Prahalad is very appropriate here. While urging people to ask the question, "Is this India what we want", he said India as a the country with its multicultural population understands how to leverage diversity[13]. Multiculturism management, when adopted as a well planned strategy, gives way to copying up with diverse cultures. Cross cultural training prove to be of great help for the companies with global aspirations. If multiculturism management has to be effective to create pervasive impact, the first step would be strong concerted executives who incorporate into their philosophical and practical repertoire some basic ideas and practices of multiculturism management. The desire to change is really a matter of professional integrity of all.

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