



## An overview on pre-requisites of cross cultural corporate communication practices in multinational corporations:

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**Abstract:** Globalization made world economies as globe. Integration of world economies caused to spreading of multinational corporations (MNCs) over the world. As results, there are no geographical or technological boundaries over the countries. Besides, the success of the corporate companies depends on the effective internal and external communication in the organization is essential. For successful entry and continuous growth in a foreign market, effective communication with the unfamiliar partner and adaptation to the culture is important. A free flow of communication is essential for any organization to realize its objective. Thus, the present paper is try to explain the pre-requisites of cross cultural corporate communication practices in multinational corporations.

**Key words:** Multinational Corporations, communication, foreign market

### 1. Introduction

Globalization made world economies as globe. Integration of world economies caused to spreading of multinational corporations (MNCs) over the world. As results, there are no geographical or technological boundaries over the countries. Besides, the success of the corporate companies depends on the effective internal and external communication in the organization is essential. In a global environment the ability to communicate effectively can be a challenge. Even when both parties speak the same language there can still be misunderstandings due to ethic 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 fulfill 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. Thus, the present paper is try to explain the pre-requisites of cross cultural corporate communication practices in multinational corporations.



## 2. Communication in Multinational Corporations Management- definition

A multinational corporation (MNC) is a corporation that manages production or services in more than one country. A key characteristic of multinational companies is a worldwide perspective and orientation in managerial decision making. A multinational company confronts many problems and uncertainties in evaluating and dealing with political, legal, economic, social, cultural, and governmental policy variables and constraints in various countries. The environment in these countries changes at different rates, and complex interactions exist between the multinational company and its various subsidiaries.

Communication skills development has always been an important factor of success in business, but the influence of globalization and cross-cultural interaction in recent decades has impacted the types of communication skills needed in dramatic ways. No longer can entrepreneurs afford to simply communicate well within their own homogenous cultures. Today, people need to understand the dynamics of long-distance collaboration, the impact of culture on manners of speaking and body language, and how to use technology to communicate with people on the other side of the globe. Understanding the impact of globalization on each of these factors can help you to select the most useful communication skills development programs for yourself or your employees.

3. **Communication methods used in the organization:** The three main methods of communication used by the organization are:

**Oral methods:** Oral method includes words spoken directly. This communication is done by telephone or through meetings. The organisation normally uses this method for internal matters as they are within the company and easy to be reached. It is a good method as instant feedback is obtained and issues can be discussed on the spot. However the disadvantage is that if unclear by any party, the conversation cannot be proved.

**Written methods:** The written method is used to communicate with almost all everyone. They include memos, letters, bulletins, files, circulars. They are the most common communication method in a company. They are also concrete proofs of statements made and leads to lesser open misinterpretations among the organisation.

**Electrical methods:** The electrical method includes faxes and e-mails. The company uses this method to communicate with external people. It is profitable to the company as it is high speed and low cost. It is also very convenient as external people can be contacted instantly without the need of dispatching circulars which takes time.

The organisation can however improve the methods of communication to the internal people. When the person is not present in person, a letter is normally sent. This takes a lot of time to reach the latter. There are no electrical methods used to contact employees. Therefore using emails to contact employees would improve communication within the organisation. Regular meetings for example every month must be made between managers and employees whereby concerns and issues can be raised.



In terms of external people, there is a general annual meeting between the board and the latter which enable the them to vote for new board members and information on profits and growth of business are provided. Quarterly or half yearly rather than annual meetings would also improve communication as issues can be raised more frequently and the people are more involved with the company.

**Virtual Interactions:** Globalization has introduced virtual communication and collaboration as a major part of workplace dynamics. Modern entrepreneurs need to understand the strengths and limitations of different communications media, and how to use each medium to maximum effect. For example, communicating via email to distant team members requires a certain etiquette and nuance not necessarily required in face-to-face interactions. Holding virtual meetings requires a similar change in approach, and people who are unaccustomed to communicating in groups in virtual settings can find themselves lost, confused or unable to share their input. When choosing a communication skills training program, look for courses that address the challenges of virtual interactions.

**Cultural Awareness in Speech:** The need for cultural awareness is a major impact of globalization on the required skillset of effective communicators, resulting in the evolution of communication skills development programs. Modern entrepreneurs and employees need the ability to catch subtle nuances of people's manner of speech when communicating across cultures. Even when two people are speaking the same language, cultural differences can affect vocabulary,

colloquial expressions, voice tone and taboo topics. In Japanese business culture, for example, it can be considered rude to ask personal questions in an initial business meeting. In the U.S., on the other hand, asking personal questions and sharing personal information can display warmth and openness. American and Japanese businesspeople who understand this about each other can communicate in ways that resonate more effectively with each other.

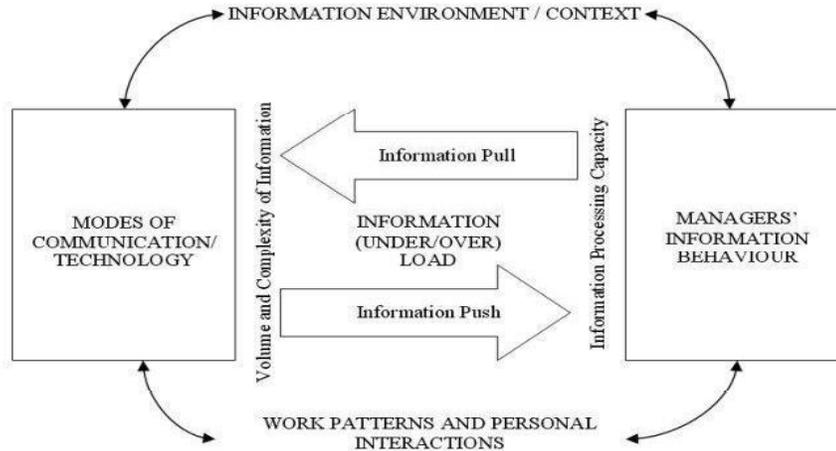
#### 4. Cultural Awareness in Body Language

Awareness of cultural differences in body language can be just as important as the nuances of speech. Modern training programs teach students to understand acceptable speaking distances, conflict styles, eye contact and posture in different cultures, accepting that the physical expressions of their own culture are not universally accepted. Look for training programs that address these differences to prepare you for face-to-face meetings with foreign suppliers, customers or team members.

**Time Differences:** The advent of global collaboration introduces another new dynamic to communication skills -- the need to communicate and share information with people across several time zones. When people collaborate with others on the other side of the globe, their counterparts are usually at home asleep while they themselves are at work. Today's communication skills development programs should address the nuances of overcoming this challenge by teaching people to understand the information needs of their colleagues, according to the communication styles of

different countries or cultures. Being able to effectively share information between shifts can make or break the productivity of a geographically dispersed team, making this an important issue for many companies.

Figure-1: Model Representing Organizational Communication



Source: Nishant Saxena et al (2013)

**Cross-cultural communication model**

The purpose of communication is to transfer ideas and knowledge from one entity to the other. The first step in communication is input; someone must say something that is received by someone else. The communication loop is successful when the receiver demonstrates that he or she understands what was being communicated. From an organizational perspective there are many barriers than can impede the flow of communication. These barriers include culture, technology, language, workforce, and environment. For the purpose of this model culture refers to the traditions and customs that are prevalent in the country where each company is located. These traditions and customs influence policies and procedures implemented by businesses. Technology is simply the use

of mediums such as email, Internet, text messaging, and cell phones to communicate. When a company does not have experience using a particular technological medium to communicate it may rely on older methods that the other company views as inadequate. Language is what is spoken in the country where the company is located. If the languages of the two companies are different, then one company must learn the other's language or a new language must be created. Workforce refers to the internal structure of the company, including employees, managers, and organizational leaders. Environment refers to the external forces that affect the company. For example, the economy can have an adverse impact on an organization and present an obstacle to cross-culture communication.



As illustrated in [Figure 2](#), when these barriers are eliminated companies are able to experience innovation, reduced conflict, and better dissemination of information. J. Ku-Hyun (personal communication, July 20, 2009) stated “to be successful as a global corporation communication is critical.” Without communication organizations will cease to be. The challenge for organizations that must communicate cross-culturally is to ensure that their message is understood the way that it was intended. When communication barriers are not removed it is easy to make assumptions about what is being communicated. Our assumptions of what we thought was being communicated can be very different from the original message. Communication takes effort, it is much easier to sit back and simply assume what we think others are trying to tell us.

To actively engage in communication takes time and energy. Organizations must be willing to invest the resources needed to support cross-culture communication.

Successful cross-cultural communication creates a dialogue, a continuous transfer of information. This exchange of information addresses our assumptions and clarifies points we do not understand. It also provides the opportunity for us to ask questions and confirm the information that was received. Having a dialogue reduces conflict because cultural misunderstandings can be dealt with when they arise. The dialogue only occurs when both parties agree to share information and ensure that the transfer of information is not blocked.

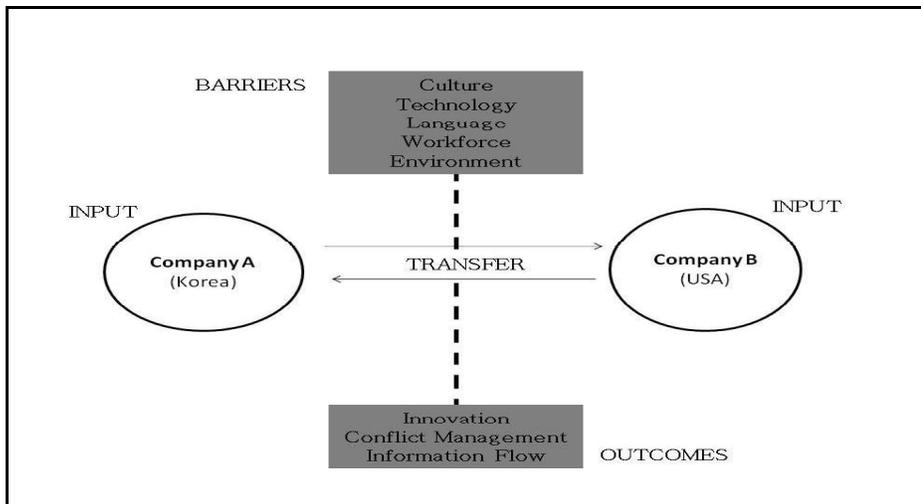


Figure 2: Cross-Culture Communication Model  
Source: Lowell C. Matthews and Bharat S. Thakkar (2012)



### **Corporate communication in select Indian companies**

Nishant Saxena et al (2013) was conducted a case study on Role of communication in Indian corporate culture and they found the following results. Infosys tried to preserve the attributes of a small company even with the expanding base and worked in small groups; Managers played the role of mentors and used their experience to guide their team members. Infosys was one of the first companies to offer scope to its employees compensation depended on the performance of individual, the team and the company Challenges faced by the company to retain its talented workforce.

Leadership at different levels of the organization in Tata display strong commitment to ethics through communication and adoption of role model stature. In order to ensure ethical business practices in an organization, it is important to have an ethical orientation among the people who own, manage, and work for it. At Tata, this has been achieved by adopting proper structures, policies, and practices as they influence the ethical behaviour through flow of communication and reinforcements of ethical choices.

Bharti being an Indian company and many of their vendors are multinational companies there will be many culture differences for Bharti employees to deal with. Not only in the way business is handled but with company's norms, communication barriers, and best practices. In aligning Knowledge Management with strategic goals, it became part of Bharti's culture. That said, there are always people who will question the value of Knowledge

Management. Given this, regular, focused communications and visible senior-management support remain invaluable.

The State Bank of India had to face a dramatic cultural change with the challenges thrown by the private sector banks which provided customer oriented services while most of the staff in SBI was not aware of the fact that the bank was losing its hold amongst the upper end market. According to survey report "the top two obstacles encountered by bank during the major organizational changes are communication breakdown and employee's resistance. "Biggest challenge for the management was to convey its idea of transformation to each and every employee of the organization. Communication is the key to SBIs success as it is able to link numerous branches across the globe.

Reliance Industries Ltd. ensure institution of standardized channels of internal communications across the Company to facilitate a high level of disciplined participation. Reliance Knowledge Management System (KMS) was built to be the common intranet system for Reliance Industries Ltd., allowing users to share news, photos, videos and more.

Some instances are- where corporate culture is mostly distinct from the culture of any nationality. For example if two employees, one Indian and one Chinese working in the company of Motorola communicate with each other, the neo culture in which they operate has nothing to do with either Indian or with the Chinese culture. It is rather the Motorola culture which shapes their messages. Thus, this transactional culture is that corporate culture which stands unadulterated by localized



cultural influences. The studies of intercultural business communication should be directed towards helping the learners attain this kind of culture.

#### **Conclusion:**

Corporate companies depend on the effective internal and external communication in the organization is essential. For successful entry and continuous growth in a foreign market, effective communication with the unfamiliar partner and adaptation to the culture is important. A free flow of communication is essential for any organization to realize its objective. In which direction (top-down, bottom-up or horizontal) does communication flow is mostly culturally determined. Successful cross-cultural communication creates a dialogue, a continuous transfer of information. This exchange of information addresses our assumptions and clarifies points we do not understand. It also provides the opportunity for us to ask questions and confirm the information that was received. In India, there is general dependence on those who hold power and Indians need plenty of communication and directions from the top for the completion of their task.

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