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Investigating Impact of Culture on Management Style of Expatriate Managers

Abstract ::

The focus of this research is in the area of national cultural differences and its impact on management style of expatriate managers. Such study has a great significance in the era of globalisation and internationalisation of the business world. Multinational companies are expanding their business in different regions of the world and to conduct smooth operations of their business they are employing managers who are not familiar with host countries cultural environment. Consequently managers are facing difficulties to adjust with host countries' culture and in some cases they are facing problem to adjust with different management style and process.

Expatriate managers from two multinational companies have been chosen to collect data to conduct this research, one is British American Tobacco Bangladesh and another one is Grameenphone which is a Norway based telecom company.

The outcomes of this research provide evidence that national culture has great significance in cultural adjustment of expatriate managers which could impact on their management style.

Introduction::

With the wave of globalisation business is being conducted and expanded in different areas of the world. As markets of different regions of the world are looking more attractive and more profitable so governments and multinational companies are opening and introducing their business in complex and demanding environment, (Kay, 1997). Though Business with other countries has increased dramatically however, globalisation put international business into many challenges, and one of the challenges is national cultural differences (Ahlstrom & Bruton, 2010)

In international business operations, national culture has a great significance. People from different countries behave differently. As behaviours and needs of consumers and employees are differing among the cultures and countries, multinational companies could make costly mistakes if they failed to understand cultural aspects of host countries' cultural environment (Silverthorne, 2005). As more firms are choosing internationalisation, so cultural aspects are even more important than any time ever before, and one of the main challenge for them is to recruit right employee to run operations in diversified cultural environment, and employees of multinational business operations are discovering themselves in different cultural situations which is unlike their home countries' culture (Becker, 2000).

There are several differences have been found between cultures especially western and eastern culture, for that's why managers of both cultures are facing problems while they are serving their companies in different cultures.



Figure 1: Cultural Differences between Asian and Western World (Williamson, 2011)

Yang Liu, a Chinese raised in Germany and an expert in communication designs, has graphically illustrated the stereotypes of the western and the eastern cultures (Liu, 2007). The below are a few of Yang Liu's graphics. The blue represents the westerners and the red represents Asian.

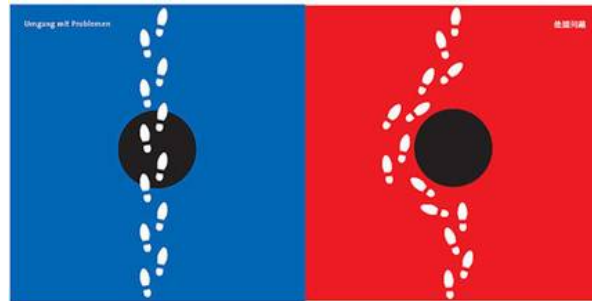


Figure 2: "confronting the problem" graphic (Liu, 2007)

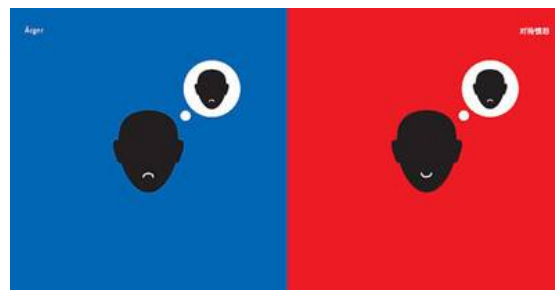


Figure 3: "How to express anger" graphic (Liu, 2007)

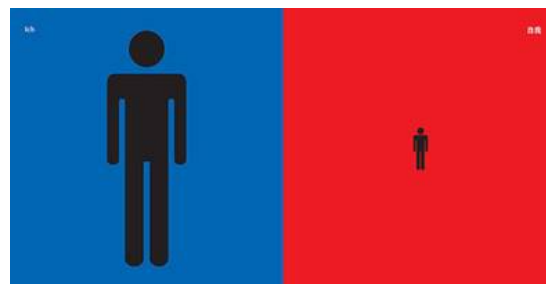


Figure 4: "Sense of self" graphic (Liu, 2007)

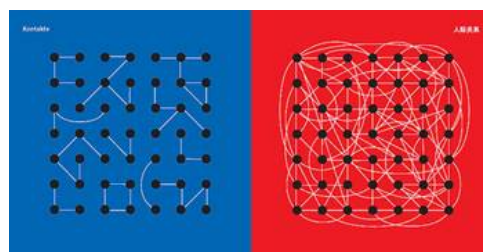


Figure 5: "Relationships" graphic

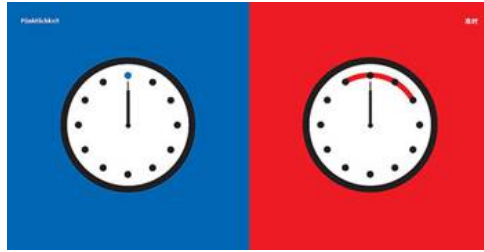


Figure 6: "Punctuality" graphic (Liu, 2007)

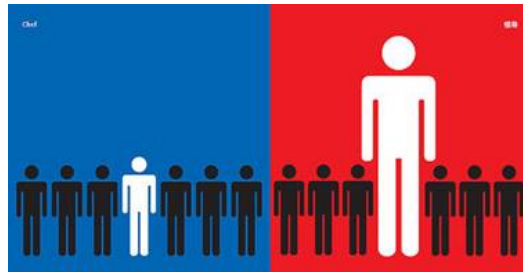


Figure 7: "Status of Leader" graphic (Liu, 2007)

These graphics by Yang Liu illustrated essential aspects in operating business in different cultural environment. Therefore, correct understanding of local culture where the business operates is crucial to the company's survival.

The background of this research is national culture of Bangladesh and how national culture creates impact on management process of expatriate managers in Bangladesh. In Bangladesh multinational companies are conducting operations and they are expatriating managers to operate Bangladesh chapter. In these research two multinational companies Grameenphone and British American Tobacco Bangladesh have been selected to conduct this research and what sort of cultural differences expatriate manager of these two companies are facing and how they perceive those differences, these would be investigated through this research.

METHOD

This research is based on case study and survey method. To conduct research, case study is an effective tool to carry out an empirical investigation on a particular contemporary phenomenon (Gillham, 2005). Interview technique has been used to collect.

FINDING AND ANALYSIS

It has been observed that perceptions on cultural differences are not same for every respondent; even managers from same organisation have distinguished opinion. It has also been observed in few cases that both BAT and Grameenphone employees opposing their own organisation's manager's views. These circumstances might have occurred because managers are from different cultural background and their experiences of working with different cultural are not same.

Here managers from other countries confronting some difficulties and those difficulties are creating impact on their cultural adjustment. It has also been revealed that cultural difference between countries depends on from which culture managers are going to be adopted.

Despite high competition, employees in Bangladesh are getting enough opportunities to make advancement for their career within organisation. It could be said that results of this issue is contradictory with Hofstede power distance index, according to Hofstede (2011) in power distance dimension Bangladesh's score is 80 which is high. It could be said that high power distance and equal opportunity cannot go together. Moreover it has been found that in Bangladesh, employees' job is

relatively secured but there are some contradictions among the managers, some argue that due to social unrest nothing is certain in Bangladesh so job and professional life cannot be secured.

When managers have been asked about cross cultural training they said that cross cultural training could be an effective tool to reduce cultural difference between home and host countries culture. Moreover it has also been found that national cultural elements have a great influence on organisational culture in Bangladesh, as people are trend to apply their knowledge and learning in their professional life.

Recommendations

Before taking responsibility in any country it is essential for expatriate managers to learn about cultural environment of that country. They should also be aware of relationship between culture in multinational business organisations and national cultural environment of host culture's perspective. In this situation cross cultural training would be very important to help them to adjust with that culture. Moreover management style is not same all over the world and national culture influence organisational culture even in a multinational company. Cross cultural training would be able to teach managers to apply right management technique. Following cross cultural training processes are being demonstrated to train expatriate managers to adjust in Bangladesh.

Cultural Awareness Training, Cultural Stress Training, Language Training, Attribution Training, Experimental Training, Interaction Training, Punctuality Training, Business Etiquette Training, Gesture and Body Language Training, Team Work Training.

Conclusion

This research intended to investigate national cultural difference that managers are facing and identify cross cultural training procedures to train managers to make them adjust.

It has been discovered from this research, that though there are some differences between cultures but expatriate managers can be trained to adjust quickly through cross cultural training. More importantly, it has been revealed that though there is cultural differences between countries but perception on these differences are not consistent according to responses of respondents due to managers' experiences and culture of origin. Despite some limitations research objectives have been achieved as impact of cultural differences has been identified and its impact on expatriate managers has also been revealed.

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