



## A Study On Socio Cultural Effects In A Manufacturing Company With Multi-cultural Personnel

### KEYWORDS

Culture, challenges, human resources, operation, international.

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### ABSTRACT

*This study attempts to study the various socio cultural effects in a manufacturing company with multi-cultural personnel. We all know and accept that globalization and internationalization has become of great importance recently. Moreover companies located in abroad (outside India) depend largely on expats and they need to handle new and unfamiliar challenges. Culture is one of the obstacles and can affect the entire co-operation. Some of the cultural elements are language, religion, working styles, local manners & customs, local values & attitudes, education, etc... that can influence the entire operation. Culture can be both a positive and negative influence and many companies are struggling in the new and foreign cultures the human resource brings in to the companies. Human resources need to respect each other's culture without forcing their own belief on others. The purpose of the study is to analyze cultural differences prevailing within the peer group of workers in the same company. The report will help the organization to face the biggest challenge for international business today.*

### 1. Introduction

"In the coming decades, China and India will disrupt workforces, industries, companies, and markets in ways that we can barely begin to imagine" (Engardio, 2008: 23)

The World is moving into a post-modern era. It is changing and we must dare to change along with it and to set down today the first markers in the road to the third millennium. This is because that today's world becomes increasingly global in its outlook and as the market place becomes increasingly global in nature, multiculturalism in the workplace most likely will grow. Although the transition to a multicultural workplace could result in issues related acclimation for workers and their employers, multiculturalism at work provides many advantages that can help a company prosper. With changes in international communication capabilities, cultural diversity in business and the arrival of global markets, organizations must see that their environment is changing dramatically (James & Snell, 1994).

The environment of multinational business is actually the complete world environment. Despite that, it also signifies aggregate of the environments of all those nations wherein the company conducts its business. The environment in every nation comprises four fundamental elements (Miroshnik, 2002) they are legal, economical, cultural and political. Managers ought to be in the constant process of monitoring the variable of environment in various countries that are involved, particularly those which are likely to have considerable impact of either positive or negative type. Nonetheless, the manager must not only monitor those countries environment where the company is currently undertaking the operations, but he/she should also keep a constant watch on the environments of other nations. Opportunities as well as threats can emerge in any part of the world which cross the globe renders it quite significant for management at the peak of developments in numerous different countries across the globe (Miroshnik, 2002).

#### 1.1 The cultural environment of multinational business:

No doubt, the economic and physical environments (climate, population, geography) are issues of utmost significance in the arena of multinational business. This notwithstanding the

cultural environment (religions, communication, ideologies and values, social structure, education ) holds special significance in multinational business. Culture emphasis social stratification, systems of kinship and several other components ,they can definitely blare the trail for more harmony and attainment in the country wherein a multinational company undertakes its business operation (Sherman, 1995; Miroshnik, 2002)

Traditionally, organizations were managed with an ethnocentric approach to culture, which assumes that any society has the same basic values and goals that characterize Western countries. But the evidence to date shows that this assumption is not valid. Although the concept of culture is difficult to define in practice, it is widely accepted that culture has significant effects on organizations (Bhagat & McQuaid, 1982; Denison, 1990). Culture differs in any society or social group and it does matter.

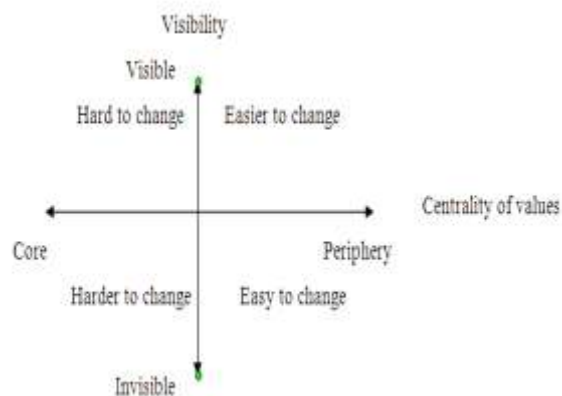


Figure 1: Cultural visibility, values, & resistance to change.

Figure 1: Shows that values higher in the hierarchy-i. e., core values-are more important, more enduring and resistant to change, mainly if they are invisible (e. g., Americans give primary value to freedom and independence and Arabs

highly value religious belief and devotion). They are highly accepted within a cultural group, thus, they are more likely to cause conflict in intercultural interactions. Resistance to change softens when core values are becoming visible (e.g., Elashmawi & Harris [1993] say that the new generation in Japan is now putting more priority on self-reliance as opposed to the older generation, which valued belonging to a group). Values of low priority, low consensus, and less importance-periphery values-are on the contrary relatively susceptible to change (Shils, 1961). They are more easily subject to change when they are visible (e. g., clothing, housing) than when they are not.

### 1.2 Positive Influence of Culture:

Since people's assumptions, beliefs, values, interests, needs, and goals are shaped by the culture to which they belong, they can be fairly deeply rooted in an individual. One must therefore assume, at least in the short run, that culture cannot be changed to meet the demands of management. In the case of national or ethnic cultures, they are also usually supported by a complex and long-established social system which has a vibrant existence outside the context of a business organization, fathoming power and opportunity discrepancies between the cultural groups. Thus we must take the position here that an individual's behavior in a organization will mainly be guided by the outside culture from which he / she comes (Jaeger, 1990).

Members of a multicultural organization therefore would not share a common set of assumptions, beliefs, values, interests and needs, nor goals which originate from the local environment. Indeed, employees do not leave their cultures at the company's door when they come to work. Jaeger (1990) says that these cultural values from the environment are brought into the workplace and have a strong impact on the behavior of persons within the organization.

#### 1.2.1. Influences on Motivational Process

When workgroups are diverse and the power distribution is heavily skewed in favor of a certain group or groups, it will be more difficult for members of different culture groups to work harmoniously together and this may hamper organizational members' motivation. Indeed, this power discrepancy is a primary source of conflicts, affirm Randolph & Blackburn (1989). Most of non-dominant group members are favorable to promote a redistribution of power in organizations, while many of dominant group members oppose it as an unwarranted and misguided policy of reverse discrimination.

(Cox, 1993).Cox (1993) asserts that imbalances, especially when they persist over a long period of time, have the effect of reducing the motivation and the perceived opportunity among members of non-dominant groups to participate and to excel to their fullest potential in diverse-group setting. Hence, the importance is given for seeking more balanced representation and power among culture groups in organizations.

#### 1.2.2. Influences on Interaction Process

Jaeger (1990) mentioned that members of a cultural group share complementary attitude and behavioral programmes which regulate their interaction. Associated with these programmes are values and ideology which provide a guide and a meaning to what they are doing and/or thinking. Thus, within a multicultural group, certain attitudes and behaviors will generate a feeling and response that is positive while others will generate a negative feeling and response.

Communication. Communication is defined as a process of circular interaction, which involves a sender, receiver, and message (Harris & Moran, 1987). Messages may be sent verbally or non-verbally. The way in which input is received and interpreted is influenced by an individual's culture. Therefore, two people can receive the same message and perceive two completely different meanings (Harris & Moran, 1987).

Conflict. Cultures vary in distinct and significant ways. Our ways of thinking, feeling and behaving as human beings are neither random nor haphazard, they are influenced by our cultural heritage. And because culture structures our expectations, assumptions and behavior, it is easy to see why cultural differences can lead to conflict-they make reaching agreement more difficult (Cox, 1991) and conflict occurs when the actions of one or more members of a group are incompatible with, and resisted by, one or more of the other group members. Conflicts also arise when members believe their different goals cannot be achieved simultaneously.

Mutual Understanding. Cross-cultural understanding encompasses knowledge about how and why culturally different team members act the way they do, and respect for differing cultural operating styles. Wilhelm (1994) states that cultural differences are one of the most common sources of professional misunderstanding.

Mutual Trust & Respect. Trust, the mutual confidence that no party to an exchange will exploit the other's vulnerability, is today widely regarded as a precondition for success. If trust is absent, no one will risk moving first, and all will sacrifice the gains of cooperation. Cox (1993) however asserts that cultural differences create uncertainty about human behavior because when the cultural systems driving behaviors are unknown, the behavior of others becomes less predictable.

Cooperation. By definition, cooperation is working together for the mutual or common benefit of everyone involved. Thus, I can say that failure to cooperate for mutual benefit does not necessarily signal ignorance or irrationality (Sugden, 1986).

Mental Models. The existence of mental models is widely asserted in the literature. According to Senge (1990) mental models can be simple generalizations, such as "people are untrustworthy," or they can be complex theories. But what is most important to grasp is that mental models shape how we act. If we believe people are untrustworthy, we act differently from the way we would if we believed they were trustworthy. Mental models so powerfully affect what we do because in part they affect what we see (Senge, 1990).

#### 1.2.3. Influences on Visioning Process

Like other major organizational changes, enhancing organizational capability to manage multicultural workforce should begin with creation of a vision that specifies, in broad terms, the objective of the change. The objective of managing a multicultural workforce should be to create organizations in which members of all socio cultural backgrounds can contribute and achieve their full potential towards the vision. Simons et al. (1993) however affirm that in a diverse workforce, not all people are so oriented. There are those who are oriented toward the present and are motivated by the quality of life they experience and those from more tightly knit cultures who look for continuity with the past. As a result, members of diverse groups generally have problems in agreeing on their purpose and on what tasks to perform.

#### 1. 2. 4. Influences on Learning Process

During an interview made by Gosling (1994), Forbes asserted that the languages are easy to handle. It is managing in a different culture, which has a different set of assumptions about effective management, which is the difficult learning curve. It is actually widely spread knowledge that heterogeneity in work teams promotes creativity and innovation. Kanter's study of innovation in organizations (1983), for example, revealed that the most innovative companies deliberately establish heterogeneous teams in order to create a market.

#### 1. 2. 5. Influences on Performance

An important question for managing in the multicultural workplace asks how cultural diversity affects the performance of work groups. Various avenues of research have suggested that an element of diversity serves as an important ingredient in creative problem solving.

#### Conclusion

Before multicultural workforce and multicultural companies can and keep improve, they first must learn at the higher-level. Managing diversity means enabling a multicultural workforce to learn and to perform to its potential in an equitable work environment where one group has an advantage and disadvantage.

Throughout the article we have shown that sharing (as manifested in open communications and a quest for teamwork opportunities) is one of the keys to learning in multicultural organizations-sharing success, sharing mental models, sharing a co-created vision, and sharing competence. A real commitment to a sharing principle and learning is essential to effective management in multicultural organizations.

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