Review

Cross-cultural communication barriers between staff in overseas-funded enterprises and management strategies for overcoming them

Yajun Xie

College of Foreign Languages, Hunan University of Commerce, Changsha, Hunan 410205, China.

The issue of staff management in overseas-funded enterprises is a serious challenge faced by every manager. Because of different personnel management system, different organizational system and different supervision system, lots of troubles have emerged in these enterprises. In view of this, a sound overseas-funded enterprise should build up an effective system to promote healthy development, such as language training, foreign knowledge acquisition, and the establishment of enterprise culture. This paper is aimed at stimulating the development of the overseas-funded enterprise in China by developing some strategies for overcoming the cross-cultural barriers in such enterprises.

Key words: Overseas-funded enterprise, cross-cultural barriers, management strategies.

INTRODUCTION

With the continuous integration of the world economy and regional economy, many companies have become more and more aware of the potential of a multinational market – they can start or move branch offices, boutiques, production offices, or other parts of the organization across the globe, partly to seek new markets, and also to find cheaper workforce. This will create great opportunities for the expansion of the organization, and bring about a substantial increase of organizations, which will widen their geographical outlook in future. However, there are many serious problems which may arise owing to the fact that there may be entirely different ways to run the companies and different opinions on how the employees should handle their work, especially the barriers between internal staffs. Solving the problem of cross-cultural communication barriers between the staff is, therefore, truly important.

The famous management expert, director of Cultural Cooperation Research Institute in Netherlands, Cornelis Hofstede de Groot (C. Hofstede), defined culture as "people's same psychological procedure in the same environment". He believes that culture is a common psychological pattern which belongs to people who share the same background. In different areas, the influence of customs, education, values, and religion forms the different psychological patterns characteristic of different areas. The differences in the cultural and management modes of multinational enterprises may create barriers to communication and cooperation.

According to certain statistics, it is said that there are several millions of registered overseas-funded enterprises in China and tens of millions of workers are hired to work for them (Adair, 1986). Among these workers, some are from United States of America, Britain, India, and other corners of the world. Different countries, races, values, behaviors, and attitudes, therefore, come together within the traditional Chinese culture. Without doubt, this situation will surely give rise to a great number of challenges, disagreements, and conflicts.The aim of this paper is to analyze the problems of cross-cultural communication between staff in overseas-funded enterprises and to propose several management strategies to overcome

E-mail: qianlaoshi0822@126.com.

these cultural barriers and reduce differences so as to construct a joint-management culture fit for the development of these companies.

CROSS-CULTURAL COMMUNICATION BARRIERS BETWEEN STAFF IN OVERSEAS-FUNDED ENTERPRISES

Cross-cultural communication problems exist in the whole operation process of overseas-funded enterprises. To be specific, in China, usually, the following problems appear more, and thus, need more attention.

Personnel management system

For some past and present reasons, China employs a system different from that of foreign countries in the area of personnel management, and salary and welfare system, which will surely lead to a great variety of problems. For example, for decades, under the strict regulations of personnel records management, household management, and apartment allocation system, a personal file is opened for every Chinese from the time he or she starts primary school (Anderson et al., 1990). Wherever a person goes or may be, whether for further study or job change, this file follows him or her closely.

Household life is another issue that most Chinese pay great attention to. The intimate relationship between individuals and their families requires every Chinese to take his or her family to wherever he or she lives or works. In the eyes of many Chinese, it is very reasonable to ask the company you work for to provide you a place to live. All these requirements are usually hard for most foreign managers to understand. They may think these requirements are somewhat going too far. Thus, these managers will doubt these job-seekers' motivation and even refuse to hire them just because a misunderstanding of this sort.

Organizational system

Foreign enterprises use organizational structure, organizational regulations, and leadership styles that are different from those used in Chinese enterprises. With this kind of difference in organizational styles, the interpersonal communication style will also be different (Armstrong and Baron, 1998). For example, Chinese managers often say praise words to workers who put more time and energy into their work and workers who work forgetting to eat and sleep. Sometimes, they may even praise the workers who work when they are sick. On the other hand, the Westerners encourage working with full attention; when to work and relax should follow strict regulations.

Chinese think that it is a great virtue to help others and to spend more time doing other people's business. On the contrary, for the Westerners, there is a clear cut between everyone's responsibilities; everyone must focus all his or her attention on his or her own job and help no one. Chinese culture lays emphasis on group and believes every achievement should be reaped by the group. If foreign managers ignore the strong sense of group, it would be difficult to encourage Chinese workers creatively and actively.

Supervision system

Chinese and foreign staff may become estranged from one another or even refuse to communicate with one another because of cross-cultural communication conflict. If there is no effective communication method, different levels or departments in the same enterprise may meet a lot of problems in the process of management (Cao, 2004).

Once there is a problem, different levels or departments may criticize or blame each other, delaying the solution to the problem. This way, production and management costs will increase and operation conditions will get bad, leading to the failure of the cooperation between China and foreign countries. Consequent upon this, an effective supervision system is needed.

Different ways of cultural communication

As business goes on in an enterprise and people communicate with one another, there surely will be certain kinds of language or behaviors that may hinder the process of communication.

In a similar vein, managers from Europe-funded or America-funded enterprises find some deep-rooted cultural behaviors which cause some problems when they communicate with the working staff in China. These deep-rooted cultural behaviors, which are different from those of the foreign managers, constitute communication barriers.

It is widely acknowledged that Western countries pay too much attention to the law, regarding the law as the most serious issue on earth. Therefore, everyone under the guidance of the law must abide by it, or else, suffer from it, if broken. On the contrary, Chinese pay too much attention to etiquette, requiring that one should give the other "the face" he or she deserves because "face" is very important for most Chinese.

If someone is given "the face" he or she deserves, he or she will feel respected. Accordingly, most Chinese think that foreigners do not show respect for them, meaning that they do not have "the face" before foreigners. Most Chinese like to make use of their relatives or certain kinds of special relationships to accomplish things easily. With respect to this, foreigners are so prim to the extent that some Chinese feel that the foreigners just follow rules and show no respect for others.

If foreign investors lack such cultural values, the managers will surely fall into culture shock. Managers may be aware of the need to do something about it and may even try to do it, but they may fail due to lack of intercultural competence. If these managers cannot understand and overcome these blocks from race, emotion, and behaviors, they will measure everything from the point of view of their motherland's standard.

OVERCOMING THE CROSS-CULTURAL BARRIERS

Different factors have been the cause of so many problems in the management of overseas-funded enterprises. It is of great importance to establish an effective and efficient way to overcome these barriers, if these kinds of enterprises want to be stronger and richer. In view of the differences that exist between cultures, the following strategies are proposed for the improvement of the management of overseas-funded enterprises.

Improve intercultural competence

American anthropologist, Hymes, defined intercultural competence in his book of communicative competence. He believed: "…a normal child acquires knowledge of sentences, not only as grammatical, but also as appropriate. He or she acquires competence as to when to speak and when not, and as to what to talk about with whom, when, where, and in what manner…." That is to say, intercultural competence includes the grammatical veracity and social appropriateness in using language. Language and culture are inseparable. If both the parties involved in communication do not know about each other's culture, communication will fail. So, improving staff intercultural competence will help to remove the communication barriers between internal staff. Intercultural competence could be improved through the following methods:

Language training

Language barrier is the greatest problem encountered in the communication between Chinese and foreigners. If it is possible to provide language training for Chinese workers, especially those who have more chances of coming in contact with foreigners, it will surely reduce some unnecessary misunderstanding and contradictions, although they cannot be erased totally. On the other hand, foreigners, especially the foreign managers in overseas-funded enterprises, can also learn some Chinese. If they become good at speaking Chinese, it will be easier for them to be accepted by their Chinese co-workers and to have a harmonious relationship with them.

For a detailed language training system, there are several steps these overseas-funded enterprises can employ. An effective training plan should be provided. If the job of English training is to be efficacious, an effective training program must be given, which, usually, should cover the following contents: firstly, there should be a concrete and practical English training topic such as English training for quality management, English training for project management, and English training for market selling; secondly, lots of members should attend the language training program; thirdly, to meet different English training targets, appropriate subject, depth of training, and methods of explanation should be adopted; lastly, a feedback on and discussion of the enterprises' language training program should be taken as a matter of great importance. English training can be a form of investment or a springboard for the enterprises. In addition, the feedback on and review of the language training program will provide more experiences and lessons for the other actives done in these enterprises.

Cross-cultural knowledge training

Language is not only the carrier of culture, but also part of it. Cross-cultural communication includes verbal and non-verbal communication, among which language is the most basic. It can be said that everyone, be he a native or foreigner, desires to communicate with other people (Patria and Marc, 2001), though they may not be able to do so directly. Problems, thus, arise if such a person uses a translator or an interpreter in the sense that certain words may not be used as exactly as the person wants.

Cross-cultural knowledge training means acknowledging and admitting the existence of differences between cultures. Such differences mainly include differences in perceptions, and interpretation and evaluation of social situations and the people who create them and act within them. These differences have to be named, described, explained, and understood. Recognizing the culture of a colleague is considered to be the first condition of mutual understanding and good cooperation. This step is definitely not common or easy.

Sometimes, both parties use the foreigner's own language, but there still could be misunderstanding. Usually, workers avoid communicating with each other because of the barrier of language. However, if this lasts for long, both parties will begin to suspect each other. If there is an irrational individual, he will cause more problems for the enterprise. As time goes by, more misunderstanding and contradictions may arise, which will surely destroy the cooperation between both parties and cause great damage to the development of the enterprise. Therefore, language training is needed for both the native and the foreigner.

It is true that culture marks Americans off from Chinese. Thus, in some sense, a people's characteristics are their cultural characteristics. To recognize a culture, we should,

without any doubt, know of its ideology. In their daily contact with foreigners, most working staff only concentrate on the language issue, ignoring its closely related element – culture; consequently, they meet their waterloo, cultural obstacles in communication, when they communicate with foreigners. This means that, in order to make international communication successful, we should learn the target culture. As Paul (1987) once wrote, "We need to always remember that a culture makes sense to its people. If it does not seem clear to us, we are the ones who misunderstand, and we must study it further".

Creating and establishing new enterprise culture

By understanding different cultures and adapting to the native culture, different enterprises should establish a new enterprise culture on the basis of mutual understanding of culture and the requirements of the enterprises' development strategy. To build up the overseas-funded enterprise culture, both parties should find out the common aspects of their cultures and use them as the basis for building the new one. The ultimate purpose of every enterprise is to earn money. In this case, the management concept and mode may be similar in different cultures. Therefore, if these common grounds are identified, a certain kind of new enterprise culture can be established and accepted by both parties (Peng et al., 2005). In other cases, a new method must be developed to effectively harmonize different cultures. Generally speaking, if cultures vary a lot among overseas-funded enterprises, the native culture and the foreign culture will be both encouraged and saved to reduce cultural conflicts at the beginning of the establishment of enterprise culture. After operating smoothly for a short time, the cultures can then be rearranged. If the culture differences are not very serious, one culture can take in the other.

This way, the culture differences can be absorbed by the native one. It is important to state here that the culture harmonization should abide by the rule of humanity. All the enterprises' activities are supposed to be profitable; however, that does not mean that the enterprise should be just out to make profit, ignoring the fact that people constitute the major part of the enterprise. The enterprise culture should bring up a sense of family for everyone. In this way, every worker in the enterprise will be a master, and will work with more energy and cooperate well with everyone else.

As a new carrier of the ideological and political work of enterprises in the new century, enterprise culture has brought vigor to the traditional ideological and political work of enterprises (Steve, 1995). Enterprise culture has also brought a new perspective fit for market economy development and more humanization in work and methods. It has equally provided a new way of improving and strengthening ideological and political work in the cross-cultural management of overseas-funded enterprises, which has given the ideological and political   work

in enterprises the significance of contemporary times and internationalization.

Enforcement of mutual benefit policy

As Berger (1996) posits, in the long-term process of business development, overseas-funded enterprises should concentrate on the mutual benefit of both parties. At the same time, the Chinese workers' rights should be respected in order to achieve a win-win goal (Berger, 1996).

Human management will help to boost the spirits of the whole workers both natives and foreigners. In this way, the staff can feel the warmth of the enterprise, the inner source of the development being the workers' inspiration. With the mutual benefit policy, not only the foreign workers, but also the Chinese workers can get more than they expect. Usually, Chinese workers pay great attention to salary and other welfare packages because this means further development of themselves and their family. If these can be achieved, all the workers will work conscientiously with great effort to earn the greatest benefits. Then the long-term healthy development and success will be achieved.

Once this kind of mutual policy comes up, the managers should spare no effort to put them into force. In the process of enforcing the policy, it will surely meet with a lot of barriers and difficulties which will prevent it from reaching the most favorable degree. Until now, lots of overseas-funded enterprises have not fully paid attention to the development of these aspects and have not considered workers' welfare. This management strategy will boost the confidence of lots of workers and can be put into force in most enterprises.

CONCLUSION

The management of the staff in overseas-funded enterprises is a difficult problem every manager encounters. As result of different personnel management system, different organizational system and different supervision system, lots of troubles arise in these enterprises. In view of this, a sound overseas-funded enterprise should build an effective system to promote healthy development, such as language training, foreign knowledge acquisition, and establishment of enterprise culture.

Traditional companies operating only within the borders of individual countries are very rare these days. Culture and cultural differences play an important role in international companies, the work of multicultural teams, and at international meetings. Workers, who are ready to admit, understand, and respect the cultural differences of other nations and are ready to take helpful steps, have a great advantage in performing tasks in a multicultural environment. Intercultural management should not be considered as a marginal area but as a significant area for

international as well as purely national companies, if they want to succeed in the demanding competitive environment. The development trend in this area moves towards the convergence of individual nations, and the communication and understanding of intercultural differences which represent a possible way of achieving mutual cooperation beyond the contemporary borders of individual states or groups.

So far, it has been proven that cross-cultural communication techniques are really of great importance in the management of overseas-funded enterprises. Every enterprise should pay enough attention to cross- cultural barriers and resort to the most suitable method for predicting, avoiding, and resolving the conflicts caused by these cross-cultural barriers (Tufte and Johannessen, 2003). The management of overseas-funded enterprises is of great importance to the process of promoting the development of China's economy. Therefore, more attention should be given to cross-cultural communication in these enterprises.

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