

Cross cultural conflict in organisations



**ASSIGN
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Executive Summary The purpose of this presentation is to identify the problems faced by Western managers telling eastern managers that improvement in their business is needed. The case which the presentation is based on is about cross-cultural management and organisational strategy and improvement. A delegate of an Australian consulting firm is given the task of heading up a pilot study in the organisations Taiwanese and Indian offices with the aim of identifying the reasons for their slow market growth and offering recommendations as to how to improve their performance.

The presentation on the case focuses on questions one and two of the designated case study questions. The first question asks the writer to identify where the delegate consultant “ went wrong” and to suggest ways to correct and improve on his mistakes and approach. The second question relates directly to the Taiwanese practice in that it asks the writer to identify the “ reasons why” members of the Taiwanese practices reacted to the pilot project the way they did. In addressing the above designated questions a review of the case study and relevant literature was conducted.

Further references were made to the course textbook and both the writers prior knowledge of culture and cultural differences. In response to the assigned questions a review of Hofstede's cultural dimensions is used to give the audience an understanding of the various cultural differences that exist between the relevant countries, those being Australia and Taiwan. A discussion of the concept of loss of face is given alongside an outline of Trompenaars ‘ achievement vs description’ dimension of cultural difference.

A discussion exploring the impact of religion on culture and doing business in Confucius countries like that of Taiwan outlined along with a. The impact of building and maintaining relationships, the importance of gift giving and issues of communication are also touched on. Finally analysis is given in relation to the differing views of strategy between Eastern and Western managers so as to further demonstrate the possible reasons why the Taiwanese may have reacted so adversely to the consultant and his subsequent report.

When using Hofstede's analysis it is important to note that Australia and Taiwan differed dramatically in the areas of individualism and power distance. Australia was ranked 2nd for individualism whereas Taiwan was ranked 44th. This means that care should be taken when dealing alternatively with each country as there will be differences in management style. For instance Taiwan is by nature a highly collectivist culture whereby emphasis is placed on maintaining ties between individual, creating relationships and emphasizing teamwork.

This created difficulties during the course of the consultants researched when interviewing the employees little dissent was given. The difference in scores for power distance also had somewhat of an effect on the result of the pilot study. Taiwan is ranked 29th for power distance and Australia ranked 41st. Taiwan thereby experiences a greater divide in power and wealth, rich and poor with an emphasis ultimately placed on authoritarian type organisations and tight controls. This again related to the difficulties faced by the consultant when conducting his research in the same manner as above.

The incidence of loss of face, relationship building and gift giving, or lack thereof, also did not favor the consultant in anyway. Instead of saving face, which is a practice well known when doing business in Asia, the consultant destroyed the concept upon presenting his final and quite damaging report at the board meeting. This practice humiliated the managing partner of the Taiwanese organisation and left him feeling angry and defensive. The impact of Confucianism throughout the analysis of the case study was definitely apparent.

Remnants of this ideology can be seen throughout the case study with its values and beliefs affecting all aspects of the way the Taiwanese do business. It was the consultant's lack of understanding of the concept and his failure to recognise it that aided his mistakes and perpetuated his misunderstandings. Attempts at relationship building lacked on the part of both parties however more should have been done by the consultant to actively engage the host country in order to gain their trust, respect and support.

Clashes of Eastern v Western views of strategy were experienced. These views are all but opposite in many areas. These differences included the likes of the way they made decisions, executed plans and analysed their results. The best example as evidenced by the case study would be that fact that the marketing manager, when asked by the consultant, failed to produce a formal marketing plan. The consultant took this as a sign of incompetence instead of seeking to better understand the reasoning behind the difference.

Finally, from the presentation of the case study it is recommended that when entering a foreign country one should make sure that whoever is sent to act as an expatriate in the host country has a high level of cross-cultural literacy. The person who is given the task should be adequately trained and qualified who has ideally been to the host country destination beforehand. In this case this was arguably not the case and the consultant who was the expatriate consequently had trouble both understanding the culture and dealing effectively with the managing partners reactions and actions.

From this presentation it is recommended that anyone in a situation similar to that of the consultant, Farquar, should equip with patience and perseverance and prepare themselves for the feelings of hostility and resistance to change that were evident in this case. Awareness of the cultural sensitivity and the ability to effectively communicate across cultural barriers is a must. These issues and recommendations may seem all too common advices however one may be surprised at how often corporations and organisations alike struggle to grasp their importance when operating a business internationally and across cultures.