

# Communication in multinational corporations



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Communication is the process by which information is transmitted between a sender and a receiver. Communication is a process of exchanging of messages between the sender and the receiver. Communication is only considered effective when it achieves the desired results. As the world is going to become a global village the communication process is becoming difficult due to difference in the language and cultural . Though the companies are expanding their business in all over the world, they need skilled persons who have ability to communicate the ideas and the information of the company.

### **Multinational Corporation:**

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.

Two factors can affect establishing and maintaining communication links between the parent company and its multinational subsidiaries. The first is the need for adequate training for the international manager who has to face many issues of varying complexity. The second factor is increasing the trust

between the parent company manager and the subsidiary manager by more decentralized management (HOD).

A MNC makes all kinds of managerial decisions for using its resources such as management, personal, technology, on a global basis. Many of the executives employed by these companies are unable to relate to foreign cultures and environments. Lack of experience in dealing with these cross-cultural differences and the lack of trust between the parent company and subsidiaries are the main difficulties with communication. A MNC weighs alternative opportunities in markets, i. e. Production, finance, research and development, and other aspects in overseas countries as well as in its home country. The company develops its organisation structure and formulates its policies for both its international and its domestic business.

In using the resources across national frontiers and combining them with local and international resources, the MNC faces number of internal constraints. These constraints are based on the firm's historical evolution, its philosophy of business, its conception of purpose and its past and current objectives and policies.

### **Communication methods used in the organisation**

The three main methods of communication used by the organisation 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.

### **Effect of Culture and Gender on communication:**

In a globalize world it is important for multinational companies to understand that cultural diversity can affect the business by building communication barriers. Cultural differences do not just mean that people speak different languages; it is also the way they think and feel and what traditions they have. Therefore MNC's have to analyse how this diversity can influence the effective communication in the company and what the consequences are.

The most important communication barrier is language. If you don't know the language, you have problems to express yourself what will end in a misunderstanding. Misunderstandings happen always when we are communicating with people we don't know. The rise of multinational companies and increased global diversification by even small companies has resulted in people of diverse background and cultures working together in the

same office or for same organization. Sex is biological (e. g., chromosomal or morphological) while Gender is social or cultural (e. g., how societies structure relationships).

Solution to cultural diversity: Conflict in such situation is predictable, but understanding the diversity issues can help companies implement programs designed to keep conflict at a minimum and to take full advantage of the many benefits which such diversity brings to an organization. For managing diversity in MNC's requires understanding the concept of corporate cultural, diversity programs and their use to minimize conflict among employees, and the unique problems that employees working overseas encounter.

Effective communication with perception, precision and credibility is extremely important to understand attitudes, values and norms of people from different countries and cultures, to make the communication a two way process. Effective communication has helped global businesses by not only increasing its volume or market share, but also for greater capital flow to support new product innovations, investment in core technologies, and world-wide distribution channels. Global communication strategy should align the firm's business objectives with the employee value proposition while providing the platform for localization that reflect different cultures and local business conditions and allowing employees to understand their roles.

Senior management should trained on effective communication techniques and managing multicultural and multi-country teams. A Global communication Strategy should align the firm's business objectives with the employee value proposition while providing the platform for localization that reflect different cultures and local business conditions. So the companies need to develop a sustainable communications strategy that supports their

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mission, aligns employees with the business strategy and allows them to understand their role.

MNC's have to examine the dimensions of the language barriers that is the MNC does have to manage. Three dimensions are as: The first dimension is the number of different languages the company has to manage (Language diversity). The second dimension is the number of functions and number of levels within those functions that are engaged in cross-lingual communication (Language Penetration) and the third is the complexity and refinement of the language skills required (Language sophistication).

### **Use of curiosity for Cultural awareness:**

Curiosity creates an interest in learning and helps break down barriers between cultures and their differences. Curiosity asks important how and why questions:

How are we alike? Why do we have misunderstandings? How are we different? How do we work effectively together, knowing our similarities and differences?

How can we communicate more clearly together? Why do we have these different customs and viewpoints?

Curiosity, in this sense, is an essential stepping stone toward building awareness, appreciation, and understanding of other cultures. Through curiosity, people can gain new perspectives, unparalleled learning and growth, and a chance for interesting conversation and reflection at every interaction.

## Aspects of Cross-cultural communication:

There are several parameters that may be perceived differently by people of different cultures. These may include:

**Perception of Time:** In some countries like China and Japan, punctuality is considered important and being late would be considered as an insult.

However, in countries such as those of South America and the Middle East, being on time does not carry the same sense of urgency.

**Perception of Space:** The concept of “ personal space” also varies from country to country. In certain countries it is considered respectful to maintain a distance while interacting. However, in other countries, this is not so important.

**Non-verbal Communication:** Cultures may be either Low-context or High-context: Low-context cultures rely more on content rather than on context. They give value to the written word rather than oral statements. High-context cultures infer information from message context, rather than from content. They rely heavily on nonverbal signs and prefer indirectness, politeness & ambiguity.

## **Verbal and non-verbal communication:**

Global communication requires the use of several types of tools. MNC's uses face to face communication for important meetings when there is a communication between management and employees. Also, MNC's prefers face to face communication for press conferences. Many companies mostly depend on e-mail while communicating with employees for normal problems



happens in daily work. It's hard to communicate a strong sense of leadership through e-mail. To maximize time and efficiency, new technology can help executives engage their employees through more personal communication. Blogs, podcasts, webcasts and teleconferences all have their place as part of an effective communication strategy.

MNC's uses excellent marketing tools for introducing their product or services in different countries with different advertisements which in turn sometimes creates controversy.

When controversial ads become offensive to certain groups of people, it is also important to acknowledge the causes of offensiveness or identify why people perceive those ads as controversial. This usually happens in the case of international advertising where cultural norms are different. Advertisers may have done their research on cultural backgrounds of the targeted audience but it is sometimes beyond the control of human beings to know everything about every culture.

“ Fluctuating nature of linguistic overlap” between women and men in different communication contexts, indicate a crossover of language use. The language features (Words, negations, questions, judgmental adjectives, references to emotion, and oppositions) used for gender communication and identifying difference between male and female speech performances. Customers prefer female communicator when dealing with four of the language feature i. e. negations, questions, references to emotion, and oppositions while prefer male communicator dealing with words and judgemental adjectives.

Women appear to be more attentive to the criticized other's feelings and they appear to be more concerned with seeking approval for themselves from the criticized other. Although women pay more attention to their own and the criticized others face goals in communicating criticism, men place more importance on task goals.

### **Recommendations for Improvement:**

When faced with a situation in which there is no common language, following points will help you to overcome cross cultural communication problems and ensure you manage to get your message across in one form or another:

#### **Say it without words (Non-verbal communication)**

Use hands, arms, legs, gestures, facial expressions.

#### **Use emotions (Non-verbal communication)**

Even in our own language and culture we do not always use language to express fright, frustration, anger or joy. Emotions transcend linguistic barriers.

#### **Try out words**

Sometimes we share common words and we do not know it. Additionally people from different cultures will have a passive knowledge of English gained through the media. Try saying the word slowly or with a different pronunciation.

## **Draw it**

If you really cannot explain “ milk” to the Greek shop owner draw the cow, the udders and the milk. Pictures speak louder than words. Most cultures will be able to spot what you are getting at straight away.

## **Ask for help**

If there are others around you do not be shy to ask for their assistance. It is often possible to find a willing translator.

## **Confirm meanings**

If you are unsure whether the message has been understood confirm meanings. When doing so do not ask, “ Do you understand?” as the answer will often be “ yes” even if it is “ no”. Try re-phrasing what you have agreed or discussed. Be Supportive

Effective cross cultural communication is in essence about being comfortable. Giving encouragement to those with weak English gives them confidence, support and a trust in you.

## **Be patient**

The key to overcoming the language barrier is to exercise patience. It is not your fault or the other persons that you cannot speak each other’s language.

For successful cross cultural advertising, we have to highlight areas like Language, Communication style, Colours, images and numbers, and cultural values.