

Report on cultural barriers and diversity issues

[Business](#), [Company](#)



Explain what cultural barriers and diversity issues are commonly encountered by international/multinational (MNC) and global organizations.

There are a number of cultural barriers that affect multinational/international organizations in their quest for globalization. Some include the problem of language barrier. Language may be a problem when organizations move into other countries. In order for them to effectively communicate they must have a common language of communication in between them. Many organizations that seek globalization have to take task of looking for the staff that can understand the various languages. Although English is considered as the preferred international language there are still some countries that are not comfortable with its use. Asian countries have embraced the learning of English for international communication but still you will find that the usage of interpreters is a common thing which is an increase of overheads to the international firms. Religion is another the problem that affects the doing international by companies. The firms may seek to venture into countries that have religious barriers to them. Some nations have religious restrictions in the dealings with certain products. Like for an example is the Muslim religion that has restrictions to the products that come out of a pig. Culture is another barrier that does affect the international organizations. People who come from different backgrounds just don't have a difference in their social setups but they the cultural impacts do affect their psychological sides of their personalities.

Traditions are also another thing that international organizations face as a challenge in their expansion plans. Different nations have different traditions

that affect their consumption conduct and also how their perspectives towards different products. Some traditions are in contrast with the operations of some multinational organizations bringing difficulties in their ventures.

Why has diversity become such an important topic in the international arena?

Diversity has become an issue in the international arena because of its advantages that helps in seeing the companies' through. Among these advantages there is the issue of increasing creativity in the work places. Going international makes the o0rganisationa to meet people of who have different ways of solving problems who engage with them in thinking to come up either common solution. This will result in the organizations coming up with the best solutions that work. Another advantage is the increase in productivity as a result of people of all diverse cultures draw together towards the same goals. Diversity results in the adoption of new attitudes that are generated by people from different cultures. This may help in the improving the organizations way of working. Language skills that are adopted as the organizations go international is an advantage. As the organizations spread their wings into different places in the world they acquire different language skills through the diverse workers that they employ.

Understanding other nation's language helps to build relatio0nships and this is a base rock that if is firm the organizations will prosper. Diversification is of importance since it may lead to new processes. This may result due to the meeting of different people all of whom have different ideas collaborating

together. This helps to expand their thinking across different cultures which are the current trends in today's world in order for them to do well.

What are some of the issues the host foreign country could face as a result of the expansion?

foreign country. Some of this includes environmental problems that may result due to the settling of the firm in the country. The host country may face new or an addition of environmental degradation problems that may be caused by the firm. Many firms contribute to environmental problems and many of them fail to account for them. This is a problem that the country may face due to the firm settling there.

What can occur when issues related to multiculturalism and diversity are ignored in an international company?

When issues related to multiculturalism and diversity are ignored in an international company it may turn suicidal. The company may not prosper in their global quest for international business. They may face difficulties in their growth and other companies' competition with them will beat them easily in the competition. The companies will have a narrow ways of thinking as their thoughts will not incorporate different opinions from cross cultures. This will result into coming up with solutions that the best for problems and this itself is a problem unsolved in the organization. It may lead to them not acquiring language skills. This will affect their communication with clients which in turn is not positive for business. it will not build up the good relationship required in business. Communication is the most essential factor in international business and if it is taken for granted the sought after goals will not be achieved.

Productivity increase will also not be gradual as there wont be the pulling together of people from different cultures towards the same goal that is a requirement for increase in productivity. It will also result to the lack of creativity in the multinational organizations. Creativity is the back bone towards development and growth in many companies and it is needed to see the organizations find better ways into their dealings.

Describe at least 2 political and 2 economic issues that may arise during global expansion and proposed methods of addressing them.

Political issues are factors for consideration in multinational business.

Political instability is a common issue in that affects many company's plans for expansion. Quite a number of nations have political instability and always multinational organizations are affected. An organization may venture into a country only for its political issues to erupt affecting their running. This is a problem that sometimes is inevitable but it is of importance for a international company to take into account the political history of a host country before settling there.

Political laws also are an issue in international business. Laws affect multinational companies in their quest to do business. Some laws are friendly and some are un friendly for those seeking to do international business. For companies to find themselves on the safe side it is important to take into account the laws of the countries they want to do business in.

An economic issue is a major player in the international business. Some nations are economically unstable and in the long run it may lead to the international organizations falling in profits in those countries. Deep and

expansive research ought to be taken by those organizations concerning the country's economic stability. Inflation in countries is another factor that affects international companies. Some nations are prone to inflationary cases and care should be taken by these organizations as they enter those nations.

Explain the importance of and the implications of each of these items in PPQ Part's expansion plans to Germany and Japan.

Germany and Japan are politically stable countries. Investment in those countries would be somehow safe from political instability. Though political stability can not be predicted sometimes but statistics from the past show that the counties have been stable. Their political laws also encourage international business. Though there might be restrictions in non member countries doing business freely in their countries. They are member states trading bodies according to the regions. Companies from countries which are not member states will have to abide by some trading rules that are in their constitutions. Economically they are countries that have developed. Mostly they are economically stable. In rare cases do they have instability in their economies? Inflation is also not a common issue in the countries.

The companies venture into these countries would be deemed viable and there are could be prospects of prosperity in the two nations. Japan also has a wide cultural background that would be of significance to the company.

References

Cox, T. (1994). Cultural diversity in organizations. New York: Berrett-Koehler Publishers.

M. J. Trebilcock, R. H. (2008). The regulation of international trade. London:

<https://assignbuster.com/report-on-cultural-barriers-and-diversity-issues/>

Cambridge

university printing press.

Martin, B. (2006). Japan and Germany in the modern world. New York:

Berghahn Books.