

The cross cultural issues related business essay

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Analyses the Cross-Cultural Issues related to the delivery of HE course in Malaysia, including management, stakeholder engagement, and communication, and makes recommendations.

Lucy Poyntz 100223958

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EXECUTIVE SUMMARY

In light of a rapid growth in the Globalisation of Education, the University of Derby (hereafter referred to as the University) has decided it is timely to look to deliver Higher Education (HE) in an overseas location. This paper explains the reason for the chosen location for delivery - Malaysia - and examines, in broad terms only given the imposed restriction on maximum word content, the cross-cultural and other issues most likely to be encountered; and makes recommendations for taking forward this initiative. The growth of International Branch Campuses (IBC) has led to many UK universities have a successful presence for the delivery of HE in a wide variety of overseas locations. Whilst Derby has some experience of partnerships to deliver HE overseas, and this knowledge will prove valuable, for the University itself to <https://assignbuster.com/the-cross-cultural-issues-related-business-essay/>

deliver such courses will require a thorough examination of both host location and the cross-cultural and management issues involved. Malaysia is the recommended location in which the University should seek to deliver HE courses. It is considered to be the hub of HE delivery in SE Asia, already hosts a number of IBCs (with more in the pipeline), has a government totally committed to seeking excellence in HE, and is actively seeking new and different partners. In 2015 it will also open the first Chinese overseas campus. Some UK universities and many UK and multi-national businesses operate successfully in the country. The indigenous population is culturally diverse, a mixture of Malay, Chinese, and Indian, that has an excellent cultural reputation for harmonious co-existence whilst respecting each other unique values. Malaysia has a growing economy with a thirst for graduates. Quite simply it is the ideal location in which Derby should consider delivering HE courses. Notwithstanding that English is widely spoken, especially amongst the 'educated' population and especially in places of tertiary education, in order to ensure that any venture is successful it is vitally important to ensure that all cultural differences that do exist are fully exposed and plans laid to remove (preferable) or mitigate (minimum) their potential impact. It is important that those charged with scoping this project should first fully understand the dynamics at place in multi-cultural environments - it would be a grave mistake to assume that because in the UK we live in a multi-cultural society it will be a simple process to deliver HE courses in another multi-cultural society. Gone are the days of Empire and we must be clear that Derby will be setting up in another country and must accept that delivery must, at all costs, take account of the host nation values, culture and in-built sensibilities - all of which will take time to get to <https://assignbuster.com/the-cross-cultural-issues-related-business-essay/>

know properly. Although examining the work of all key theorists, it was decided to base high-level cultural analysis using data collected by Hofstede. This work revealed that whilst some cultural elements are very similar to ours, there are 2 elements – Power Distance which indicates a societal acceptance of an unequal distribution of power, and Individualism which basically indicates if it is a ‘ me’ or a ‘ we’ culture – that indicate significant difference in the cultural values of the UK and Malaysia; these are the areas that will need to be considered the most carefully. Considerable work will be required to define a workable, initial Organisational Structure; however in this respect it is vital to ensure that all structures remain sufficiently fluid and flexible in order to continuously evolve. Extensive research and planning will be required to ensure that Diversity in the Workplace, the introduction of a framework for Multicultural Human Resource Management policies and procedures for all managers, frameworks to enable both Multi-Cultural Team work and effective Communication, and the definition and management of Stakeholders are all adequately addressed. In addition it is considered most important that work should be undertaken to ensure that Derby is fully aware of the impact of Culture on Learning Styles. This paper can only highlight these issues as being of importance to ensure the success of the proposed venture. Malaysia is considered the ideal choice of location in which Derby should deliver HE courses. Although already supported a vibrant and English speaking society there are nonetheless some marked culture value differences that need to be clearly understood and plans laid. It is recommended that: a, An initial approach be made to the Ministry of Higher Education in Malaysia to ascertain how feasible it would be for Derby to offer HE courses in Malaysia. b. A project team is established to work on the cross-

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cultural issues highlighted in this paper, with a view to taking forward this initiative.

INTRODUCTION AND BACKGROUND

The Globalisation of Education has led to a revolution in the delivery of Higher Education and the demand from UK students to study abroad continues to grow (Guardian 15 Feb 13). It is timely for the University to look closely at the feasibility of delivering HE in another country, with Malaysia now selected. With current University knowledge of cross-cultural issues to draw on - gained from partnerships in Botswana, Germany, Switzerland, Malaysia, Malawi, and Greece - this paper highlights why Malaysia has been selected and examines Cross-Cultural management and communications issues, and assesses challenges and opportunities. A 2011 a QAA report (p26: 134) concluded " confidence can reasonably be placed in the soundness of the University's present and likely management of the quality of the learning opportunities available to students through its collaborative provision" - a good basis on which to expand.

DISCUSSION

Why Malaysia?

Malaysia has been a multicultural society for centuries, with an indigenous population well-versed in living and managing in the cultural context. . In the context of higher education it is argued that Malaysia is well-placed, perhaps uniquely so, for the following reasons: As figure 1 below shows, in April 2012 Malaysia already had 7 International Branch Campuses (IBC) - with a further 25 applications pending. In 2012 Malaysia was home to 25% of students

worldwide studying in IBCs. (HEM Int Policy : 2011)Figure 1- IBCs in Malaysia (2012) (Source UTM LL: 2012)In 2011 the Malaysian Government set a target to increase the number of students studying in Malaysian IBCs – from 58, 00 to 200, 000 by 2020 (HEM Int Policy : 2011)The first Chinese overseas campus is due to open in Malaysia in 2015 (University News: 2013)The cost of studying – both tuition and living expenses – is considerably cheaper in Malaysia (comparative data in Appendix 1)Further details about Malaysia can be found at Appendix 1.

Key Theorist Work - Cultural Dynamics

Key theorists are shown Figure 2 below. Summarised details of methodology, and findings of contributions by Hofstede, Trompenaars, Dong & Liu, and the GLOBE Study are at Appendix 2. Figure 2 - Key Dimensions of CultureGLOBE (House et al) (added by LP)Dong & Liu (added by LP)Short-term vs long-term orientation (added by LP to reflectHofstede's 5th dimension)Source: Schneider and Barsoux (2003): 34The effect of cultural values an ethic on management are summarised at Appendix 2.

Cross-Cultural Management Issues – Delivering of HE in Malaysia

When considering the delivery of HE in Malaysia it is important to study not only the host country culture but also the national culture(s) of participating staff and students. Hofstede's work argues that cultural influences can broadly be divided into 6 categories (full definitions are at Appendix 2). These are Power Distance (PDI), Individualism versus collectivism (IDV), Masculinity versus femininity (MAS), Uncertainty avoidance (UAI), Long-term versus short-term orientation (LTO), and Indulgence versus Restraint (IVR).

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Cultural study data extracted from Geert Hofstede's website (www. geert-hofstede. com) has been combined into a chart – Figure 5 – showing five of his stated values. Figure 3 - Comparative Study (UK/Malaysia) using Hofstede's Values This shows that 3 values are broadly similar (MAS, UAI, and LTO), whilst 2 dimensions have markedly opposing values – with explanations these are:

Power Distance (PDI)

What the values reveal – Malaysia A high score (104) reveals that hierarchical order is expected (the norm), within which everyone has and knows their place. Although expected, it is accepted that such structures contain a centralised structure, inherent inequalities, and workers expect to be told what to do. Challenges to leadership are not welcomed, with the ideal manager being a benevolent autocrat. What the values reveal – UK One of the lowest national scores (35) reveals UK as a society where inequalities are minimised. Although this seems difficult when viewed against the traditional ' class' system, a deep sense of fair play exists that largely ensures that everyone is treated as equals without limit on potential achievement.

Individualism versus collectivism (IDV)

What the values reveal – Malaysia The low score (26) indicates a collectivist society; where ' belonging' – family, extended, family, close social groups – are value highly, and in which loyalty is paramount. Such collectivism fosters a keen sense of responsibility for fellow group members. Failure or wrongdoing leads to shame and loss of ' face' which is avoided at all costs. Employer/employee relationships viewed very much on moral terms, taking into account the group dynamic at all times. What the values reveal – UK The <https://assignbuster.com/the-cross-cultural-issues-related-business-essay/>

high score (89) reveals the UK to contain highly individualistic and, essentially, private people who, from an early age, learn to think for themselves and begin the search for their contribution to society; with the route to happiness being personal fulfilment.

Organisational Structure

(Extracted and adapted from Hill (2005)) Different theorists have different ways of categorising structures - some see 4 dimensions, being specialised, standardised, formalised and centralised. I find the following 4 dimensions a little easier to understand: Vertical differentiation - essentially the centralisation versus decentralisation of decision-making responsibilities. Tend to be centralised in global organisations but more complex in transnational. Horizontal differentiation - how the unit is divided into sub-units. Firms expanding abroad generally start with an overseas division, based on home national principles, which generally does not work well as it does not account for local values; then over time try to adopt a more diversified system. Integration - the early adoption of integration helps remove difficulties - but needs to include sub-unit integration. Integration is inhibited by a number of impediments to coordination, particularly by differing subunit orientations; it can be achieved through formal integrating mechanisms. These vary in complexity from direct contact and simple liaison roles, to teams, to a matrix structure. A drawback of formal integrating mechanisms is that they can become bureaucratic. Control Systems/Mechanisms - To overcome the bureaucracy associated with formal integrating mechanisms informal mechanisms, such as management networks and organization culture, are utilised. Controls can generally be

categorised as personal, bureaucratic, output, and cultural. Partners in this venture should be included in these and all other deliberations. (Guide to Partnerships 2011) Finally there is support for the conclusion (Jacob xxxxxxxxx) that the organisational structure appropriate for cross-cultural management goes beyond being fluid and flexible and that experience indicates that it should be continuously evolving as well.

Multicultural Teamwork & Communication

(adapted from iChange: an on-line training organisation resource) Even when English is used as the common business language, with teams who are relatively fluent, there is still huge scope for misunderstandings which can hamper team cohesion and effectiveness. There are many layers of meaning that filter and distort messages according to a person's:

- Personal upbringing & values
- National backgrounds
- Organisational culture
- Technical background & training

A good knowledge of participant culture enables teams to explore the constraints of communication and cross-cultural working, and allow the development of:

- A shared 'language'
- Enhanced awareness of problem areas
- A set of ground rules to ensure a level playing field, and a common set of behaviours & acceptable responses
- A shared understanding of everyone's sensitivities especially concerning manners, politeness etc
- Acceptable ways of signalling when things are not working for individuals/groups
- A safe environment to ask questions without being judged as 'stupid'
- An awareness cultural stereotypes and a way to explore the various levels beneath. An understanding and acceptance of different versions of constructs such as Time, Work, Decision making, Seniority, Competition, Co-operation, and Authority/Power. Although these aspects seem simple and obvious,

unpacking and discussing them is a valuable investment to ensure team cohesion and optimum performance. In a nutshell, if you want to get the very best from your multicultural team (and in reality every team is multicultural,) you need to create the right environment in which everyone is happy and fully able to contribute and succeed.

Multicultural Human Resource Management

The management of Human Resources is a vital function, and an art in which all managers, in any given organisation, need to be well-versed, practised and consistent. Organisations can play a pivotal role by establishing sound, overarching HRM practices which are then followed by all managers. In this way it is possible take a consistent approach to managing, minimising and resolving conflicts. An article from the International Management Journal – by H Karjalainen, 2010 – asks the simple question " Can multicultural human resources management problems be solved by an organisational culture?" Concluding that such a culture can help establish good HRM practices, the article provides a table (see Figure 4) depicting ideas for a framework of multicultural HRM practices. Figure 4 -Corporate Framework for Multi-Cultural HRM

Multicultural human resources management practices

(extracted from the International Management Journal, vol. 14, n° 4, 2010, p. 99-114)

Stakeholder Engagement and Management

(extracted from Singh S: 2011)First identify in HE likely to include both individuals and groups who can affect or be affected by an institutions

performance in a variety of activities. Academic and non-Academic staff, students, administrative staff, research staff, funding providers (private or government), standards and quality guardians, graduates and alumni are examples; and the first step is to full define a list of all stakeholders and rank them in order of relative importance. Once the importance ordered list of stakeholders has been defined, and it should be remembered that the list will always be subject to amendment and order amendment, methods of engagement and ensuring satisfaction are required. For each stakeholder there should be an agreed and established established set of measurable criteria, and/or targets; subject to periodic review to ensure currency Thereafter on b a periodic basis a system of performance management against the set criteria should be used to ascertain if stakeholder requirement are being met. The Performance Prism Model (PPM) is a performance management and measurement tool specifically designed to devlier results from a stakeholder perspective (Neely et al 2011). For continued success, and to ensure that any organisation grows and develops, stakeholder engagement is extremely important.

The impact of Culture on Learning Styles

In addition to the challenges faced by management it is undoubtedly true that learning may well be influenced by culture; this will require closer examination as the proposed delivery of HE in Malaysia moves forward. During research I read a journal article (Sankaran Manikutty: 2007 " Does culture influence learning styles in Higher Education?) highlights some of the issues involved. This study and the notes from an EAN Cross Border Conference (2008) both mention Von Queis (2005: 13-15) and offer the

following examples of the effect of culture on learning, as they would apply when comparing UK and Malaysia. Figure 5 - IDV in a Learning Context - Malaysia and UK

MALAYSIA - High context us-culture

UK - Low context me-culture

Participants talk in lectures only when they are asked
Participants comment in lectures spontaneously
Lecturers are expected to know all the answers
Lecturers do not need to know everything
A lecturer is not to be contradicted; he also is not to be criticised
Participants can contradict and criticise the lecturer
The lecturer is expected to be an example also outside of class
Lecturers do not have a significant status outside the classroom
Harmony is always to be preserved
Criticism and scientific arguments are meant to be fruitful
In relation to the impact of PDI, Manikuitty (2007: 79-80, 5. 1) argues that in a society with a High PDI there will be a surface approach to learning whereas in a Low PDI culture it will be deeper. This would indicate that Malaysian students are likely to study subjects in more depth than their UK counterparts..

CONCLUSIONS

Cross and Intercultural research

Despite the efforts of many eminent theorists, there is still no commonly acknowledged concept of culture or cultural dimensions; and due to the methods used for research (data collection and analysis) there remains considered debate regarding whose theories are best suited to which individual scenario. However, Using Hofstede's study data as the basis it

should be possible to adopt a 'pick-and-mix' approach to define the criteria against which the aim – the delivery of HE course in Malaysia – can be accurately researched and around which suitably flexible frameworks can be developed, measured, and reported on.

Current In-House Knowledge

The University of Derby already has corporate knowledge of HE Delivery partnerships in overseas locations; particularly in Malaysia.

Malaysia

7 IBCs already in country (2012), a government commitment to remain the Asian hub for HE delivery; and the first Chinese overseas campus due to open there in 2015; a thriving economy; UK students keen to study overseas, and tuition and living costs considerably cheaper than UK: all make Malaysia an ideal target solution for expanding overseas HE delivery; and in an already established and relatively 'risk-free' multi-cultural society.

RECOMMENDATIONS

It is recommended that: Derby University confirms the target overseas location as Malaysia, and sets a target date of 1 September 2013 for commencement of the first course. Contact is made, through appropriate channels, with the Ministry for Higher Education in Malaysia to seek approval in principle to move forward with research. Derby University appoint a project manager, suitably resourced, and provides detailed Terms of Reference for the conduct of a detailed market analysis into the delivery of HE in Malaysia, with a view to presenting a scoping paper by 1 September

2013 followed by an outline Business Case 3 months from approval of the scoping paper.