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Cross-Cultural Barriers to Communication in Multinational Corporations

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requirements on the master's degree in Literature and Civilization

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Dedication

I would like to dedicate this work to my
family and my friends

Hobaya zahira

Dedication

This work is sincerely dedicated to my
family

Benabadji Naziha

ABSTRACT

Culture and communication are two mutually dependent issues. Individuals with different cultures can communicate effectively only if their cultural differences are surmounted and the eventual communication barriers overcome. It is well accepted today that cultural differences can seriously impact the activities in business institutions. With globalization and international business, effective cross-cultural communication is required at the workplace to ensure success. This study aims first to investigate the close relationship that exists between culture and cross-cultural communication. It intends to show that effective communication may occur when interacting people understand and accept their cultural differences. Then, the second part of this work focuses on the importance of efficient communication in business corporations, such as the multinational companies or MNCs, which are spread all over the world. Their success is directly dependent on how well the managers and employees can communicate and interact, hence, this part presents a brief description of major problems in an intercultural setting and measures to overcome these cross cultural barriers by developing intercultural competence in the organizational set up.

Keywords: Culture, Cross-cultural Communication, Multinational Company

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Key of Abbreviations

MNC: Multinational companies

TNC: Transnational companies

CQ: Cultural quotient

FDI: Foreign Direct Investment

ICCA: Intercultural Communication and Collaboration Appraisal

General Introduction

General Introduction

Globalization has led many people to live behind their country's borders, and see their cultures intermingled in varied ways. In fact, globalization and the rapid development of economies around the world encouraged multinational firms to settle in various regions of the planet. As a result, intercultural communication has become a crucial challenge for the managers of multinational institutions. Several studies have indicated that culture certainly influences people's patterns of thinking and behaving; business firms, such as the Multinational Companies (MNCs), have to adapt to different working styles of their workers who generally have different cultural backgrounds. It is essential for business firms to understand the cross-cultural differences that may exist within their institutions, because of people coming from diverse cultures.

Today, Multinational Corporations (MNCs) operate in different countries where they have to cater to the needs of customers with different cultures. While communicating with people belonging to various cultural environments, MNCs will have to develop and shape their communication policies as a response to the cultural diversity they face. The main focus of this research study is to investigate the impact of cultural differences on communication inside Multinational Corporations. It intends to examine and analyze the most important elements included in cross cultural communication within multinational firms, so, how barriers impede Intercultural Communication in Multinational corporations?. In this respect this work tries to answer the following questions:

1. What is the relationship between culture and communication?
2. Do cross-cultural differences have an effect on communication in business context?

Two hypotheses are formulated to guide this study:

H1: Dimension of national cultures will lead to conflict in cross-cultural communication.

H2: Language, communication system and culture are the main factors that will lead to differences in cross-cultural communication.

The aim of this study is to explore the effects and benefits of handling cross-cultural communication effectively in multinational firms, so that managers can improve their ability to supervise their employees effectively, by developing an understanding of cultural dimensions. Moreover, it provides people with precious knowledge that can enable them deal with different cultures without encountering any kind of obstacles. This can be achieved through the incorporation of cultural elements, which are included in this project.

This research work includes two chapters. Chapter one is a literature review which deals with the relationship between language, culture and communication, as well as the notion of culture as a form of participation. It explores the basic concepts and theories of communication and indicates how communication is made up of verbal and non-verbal elements. It reveals the main factors that commonly create barriers to effective communication, and also examines the way communication takes place in an organization while highlighting the importance of effective communication within a business firm. In the same chapter, the intercultural communication is discussed as well.

The second chapter presents an overview about the importance of cross-cultural communication within Multinational Corporations (MNCs). Next, an attempt is made to demonstrate how cross-cultural differences can lead to problematic situations in the workplace. Basic dimensions of national culture, as well as high-context and low-context communication styles, which are considered to be barriers to cross-cultural communication in business management, are also examined. Therefore, there is an urgent requirement to develop some efficient strategies in order to overcome the eventual cross-cultural barriers that might arise in these Multinational Companies, i.e. developing effective intercultural communicative competence, and raising cross-cultural awareness in the workplace.

CHAPTER ONE

Culture and Communication

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1.2. Definition of Culture

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CHAPTER ONE: Culture and Communication

1.1 Introduction

Culture and communication are mutually and closely related. Communication is everywhere; it is a cultural and social issue as it depends on cultural differences. The activities of communication are social and cultural processes; this means that cultural and social practices are mainly about communication. Communication is related to meaning, not to information. It refers to sending and receiving messages between a sender and a receiver. In the communication process, cultural ingredients, such as attitudes, social relations and individual feelings, play a major role in interpreting messages. Communication depends strongly on cultural activities. From this context, it can be asserted that it is practically impossible to think about communication without taking into consideration the cultural contexts and meanings.

This first chapter deals with culture and intercultural communication, or that kind of communication between people of different cultural backgrounds. It discusses culture and communication as two essential features in an individual's life as well as the barriers that may stem from ineffective intercultural communication.

1.2 definition of Culture

The concept of culture has been defined in numerous ways, the most accepted definition would be that culture is a shared collection of beliefs, norms, attitudes and notions of mindsets, besides, culture is our way of life, which involves values, customs, languages and traditions. It is shaped by our history, our heritage and the way we express ideas and behave (Clarke 31).like Jiang (2000) claims that:

A close examination of any culture would indicate that it is a phenomenon that has bound societies which shared similar beliefs, norms, attitudes & notions of mindsets together. Hence, culture creates a sense of unity and cohesion among people who identify themselves with it. It plays a major role

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in shaping and governing the behaviour of people (qtd in.Yazdanifard02).

Culture generally refers to accumulated knowledge, beliefs, values and behaviours, acquired and shared by a community or group of people in the course of generations. Furthermore, culture refers to the values, symbols, and perspectives, whether explicit or implicit, that differentiates one people from another. People within a culture usually see and understand symbols and behaviours in similar ways (Banks 93).Through culture, we develop and express a feeling of belonging to a certain group of people in this respect Jiang argues that:

Culture has evolved in response to the circumstances that have taken place in the society. Moreover, culture tends to develop further in response to the needs of peoples& societies. The culture phenomenon is reinforced in a peculiar manner so that culture shapes the human behavior which in turn results in culture being shaped (Ibid02).

That is to say culture is not nature; we are not born with a culture. It is learned from the people around you, then transmitted and passed down to coming generations by linguistic communication (Kroeber - Kluckhohn7). Culture and knowledge are interrelated. Indeed, acquiring a culture means knowing a language through which a member of a community can interact with people around him.

On the other hand Samovar and porter (1996) said that:

The deposit of knowledge ,experience, beliefs ,values, attitudes ,meanings ,hierarchies ,religion, notions of time, roles ,spatial relations, concepts of the universe, and material objects and possessions acquired by a group of people in the course of generations through individual and group striving (08).

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This definition of culture is about all what is related to people's way of life such as: behaviours, values and norms which are transmitted by the means of communication, from one generation to another and which are shared by members of a society in a way which makes a difference between people since, each person has got his/her own perception of the world. Therefore, culture is a broad topic which is difficult to define with accuracy, unless it is restricted to a specific domain or a precise situation, as it is the case for our research study which tries to spot the light on the culture of business and the cultural elements involved in intercultural communication in the world of business.

1.2.1 The Relationship between Language and Culture

Language and culture are inseparable. If both the parties involved in communication do not know about each other's culture, communication will fail. (Gudykunst and Kim, 378). Thus without language culture would not be possible language simultaneously reflects culture, expert of the language suggest that to speak a language well, one has to be able to think in that language, in this context Brown 1994 describes the two as follows:

A language is a part of culture and culture is a part of language, the two are intricately interwoven so that one cannot separate the two without losing the significance of either language or culture (Brown 165).

Hence people used the language not only to communicate but also to transmit their cultures. Consequently, language is regarded as a mirror of culture in this sense, culture can be seen through its language, language makes one living organism, without culture, language would be dead (Jiang 2000) as a result, it is impossible to understand a culture without taking into account its language (s) and vice versa.

1.2.2 Culture and Communication

Culture is communication and communication is culture. Culture may mean communication which can occur through language and signs. It can be considered as a set of different systems of mediating activity between people using various communicative tools. Culture is an extension of language as a mediating system. It provides individuals with ways of thinking, seeing, hearing, and interpreting their environment. Therefore, similar words may refer to different things to people with different cultures, though speaking the same language. Every aspect of communication is affected by cultural differences.

Also, if the languages of communicators are different, people in different cultures will perceive, act and behave toward the world differently. Sometimes, when translation is needed to communicate, it may lead to a high probability of misunderstanding. On the other hand, it is well known that culture is a combination of practices. Members of the same social group with the same culture will certainly share a great number of common practices (Van Dijk 5).

1.2.3 Culture as a form of participation

According to Adolfo Morrone (Guidelines for Measuring Cultural Participation 2006), one can participate in a culture in three fundamental ways. These are participation behaviors which can be identified as:

- Attending and receiving
- Performing and producing
- Interacting

Culture is a complex concept. Most theories of culture consider language as a fundamental component of culture where it plays a significant role. Culture practices are conducted and evaluated through linguistic communication (06).

1.3 Definition of Communication

Communication is a term that comes from the Latin adjective “Communis” (common) or the verb “communicare” which means to “make common” (Weekley 338). Indeed, communicating is making facts, information, thoughts and requirements common. Therefore, through communication, we aim to exchange and share views, messages, opinions, information etc. using speech, signals, gestures or writings. More generally, communication means exchanging information and transmitting meaningful messages in an effective way; fundamental communication skills are required in order to communicate effectively. In our daily life, it is essential to communicate efficaciously, as this can only be successful when the desired goal is achieved (Kushal 49). Stephen Covey (1990) says that a communicator must first seek to understand, and then to be understood. (Covey 117)

From this definition, four aspects of communication can be noted:

- Communication of a message
- Transmission of the message
- Reception of the message
- Feedback from the receiver.

According to Theo Haimann, Communication is the process of passing information and understanding from one person to another .It is the process of imparting ideas and making oneself understood by others (12).

Newman and summer (1977), argue that “Communication is an exchange of facts, ideas, opinions or emotions by two or more persons” (16). In addition to this, Louis Allen claims that Communication is the sum of all the things which a person does when he wants to create understanding in the mind of another. It involves a systematic and continuous process of telling, listening and understanding (09).

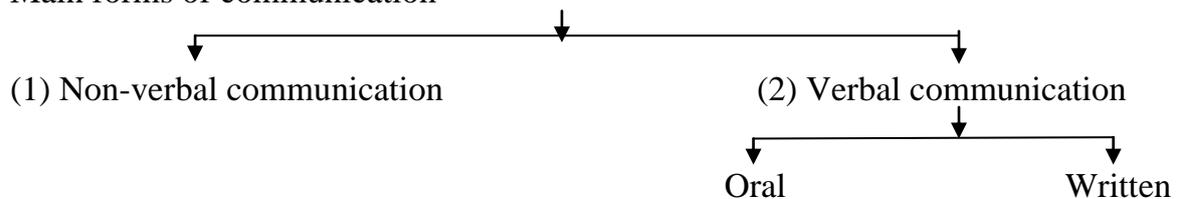
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As a matter of fact, it can easily be asserted that communication is called for in every aspect of life (Kushal58). Communication is a quite complex process; the simplest message is not perceived precisely as it exists in the communicator's mind. Communication is not talking and listening only; it is mainly making information go from one person to another in an effective manner. Communication involves producing and sharing thoughts (MTD Training 45).

1.3.1 Forms of communication

In order to communicate efficaciously, one has to know the various types of communication and understand its key methods or channels. Communication can be: Non-verbal or Verbal.

Main forms of communication



(Kushal 4)

1.3.1.1 Non-verbal communication

No words are used in non-verbal communication; only gestures or body language. Love, dislike, superiority, can be understood through non-verbal communication (Kushal 5).

For instance, a smile, red and green traffic lights, a telephone ring are all forms of non-verbal communication. According to Kristen Amundson (1993), ninety-three percent of a message is sent non-verbally, and only seven percent are sent verbally (Amundson 105). On the other side, Doreen S. Geddes (1995) says that non-verbal communication is founded on:

- **Body position:** to show amiability and respect toward people you interact with.

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- Posture: to exhibit confidence and enthusiasm.
- Facial expression: to hide emotions when an individual is face-to-face with others. Others.
- Eye contact: to communicate interest and confidence.
- Use of space: to express a friendlier relationship when communicating with others. For instance, if someone comes to your office, and you stay behind your desk, it can mean that you are uncommunicative and reserved.
- Personal appearance: to be respectful. It well known that more respect and consideration are shown towards people who are well-dressed (Geddes 167).

Non-verbal communication has got various roles (Means 68) :

- Control the rhythm of the conversation
- Produce information
- Complete a verbal message
- Express emotion
- Influence other people
- Make instructions simple.

Non-verbal communication is beneficial because it is:

- Trustworthy: some dishonest people can deceive you with words because these can be easily controlled, but body language and facial expressions cannot.
- Effective: it is more convincing to your audience
- Honest: credibility and honesty can be expressed with the communicator's facial expressions
- Precise: the speaker can make sure that the conversation is proceeding in the expected way and the message is well understood.

However, Non-verbal communication may present limitations such as:

- Absence of secrecy,

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- Misunderstanding of gestures,
- Both communicators must be face-to-face,
- Cannot be recorded

1.3.1.2 Verbal Communication

Verbal communication can be oral or written. It uses universal symbols, easily understood by people throughout the world.

A-Oral Communication:

Here the message is expressed in words and the way these words are pronounced is fundamental. Oral communication is quite advantageous because it is direct, fast, and flexible. Nevertheless, Oral communication may prove to be inappropriate for long messages, because the receiver cannot remember easily a long message. In addition, what you say is not written and therefore there is no proof for future reference. Besides, both parties involved in the conversation must be face-to-face. This kind of communication can sometimes be unclear (Kushal 7).

According to Kushal, Oral Communication is useful when:

- The message to be transmitted is to be kept secret,
- The message is not possible to be given in a written form
- The message is to be delivered to a lot of people
- The receiver of the message is illiterate (49).

Oral communication may exist in the following forms:

- Direct conversations
- Meetings, seminars and lectures
- Interviews
- Phone conversations
- Radio and television.

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Verbal and non-verbal communications are different. Words in verbal communication are planned and well thought. A simple example is “Lend me your book, please”, where the objective is clear.

B-Written communication:

This is another kind of communication. In written communication, the message is transmitted in a written form. This type of communication is considered to be academic; its scope of usage has grown wider with the advancement of technology. (Angelo 114)

Using written communication may be advantageous in the following cases:

- Transmission of long and clear messages
- The need for a written reference, because for some reason many documents need to be consulted for future reference
- The presence of the sender and the receiver is not required.
- It is natural and effective.
- It is a cheaper way of communication when the message is to be sent over a long distance, with no urgency required.

However, written communication exhibits the following limitations (Kushal 9):

- This kind of communication is inadequate for illiterate individuals; they neither write nor read.
- It is time consuming, as one needs some time to write it.
- It cannot remain secret because of its written form.

According to many authors, the oral and written forms of communication have similarities but show some differences as well. Among these are:

- Oral communication is colloquial but written communication is more formal
- Oral communication focuses on the person but written communication on the content

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- Oral communication is used for short messages but written communication for long ones.
- Oral communication cannot be reviewed but written communication can.

1.3.2 Communication process

This describes the way verbal and non-verbal messages are transmitted or received. It is an operation that happens in both directions of exchanging information. Communicating involves many constituents that form the model of communication; the latter explains how communication actually takes place. Communication is strongly affected by what you say as well as by how you say it (Guffey 110).

The process of communication consists of the following elements:

- Idea: Any message, whether oral or written, originates from an idea which relates to a particular situation
- Sender: this idea occurs in the sender's mind.
- Message: this can be the idea, or opinion to be transmitted by the sender.
- Encoding: it is the way the message is expressed, i.e. words, symbols, etc.
- Medium and channel of communication: these are the method and means used to transmit the message. An email is a medium and the internet the channel.
- Receiver: this can be the listener or reader of the message; he perceives it and gives the appropriate reply if necessary.
- Decoding: it is about understanding the message received.
- Feedback: this is the final component in the communication process. It is the receiver's response to the message (Ibid 120).

Enthusiastic and talented communicators are capable of making the dullest message acceptable and sound even brilliant. Similarly, an apathetic person lacking

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interest in the topic, will not engage the audience and stimulate enthusiasm when delivering the most important message. For instance, in his great historical speech to Americans “I Have a Dream “, Dr. Martin Luther King proved to be a great communicator; his speech was full of strong impressive images that aroused powerful and deep emotions in his audience. Dr. Martin Luther King delivered his speech with such a real passion that he succeeded in capturing the dreams of a whole race.

Here are some communication models:

- 1- **Shannon-Weaver model:** this is a mathematical model which was originally designed for electronic communication, and was later extended to general communication.
- 2- **Murphy’s model:** this model was in fact proposed by H. A. Murphy, H. W. Hild brandt and J. P. Thomas.
- 3- **Thill and Bovee model:** this model was developed mainly for business communication. (Bell 379).

1.3.3 Effective Communication

Effective communication is a skilled operation which is about exchanging data or knowledge. It uses both verbal and non-verbal expression, in manners that are appropriate to particular cultures, civilizations and situations. It has to be accurate and meaningful. Through communication, one can convey his/her opinions, hopes and desires, as well as express his/her needs and fears and search for advice, assistance and help. Effective communication depends on the skills of both the sender and the receiver of the message (Kushal 19).

Kushal reported K. O. Locker as saying that communication allows for the transmission of information between individuals and communities; its main purpose is to instruct, notify advice, warn or convince, and to create friendship (Kushal 51).

1.3.3.1 The Importance of effective Communication

Today's world has evolved into an information age where effective communication is a fundamental component. Indeed, effective communication is as essential to an organization as oxygen is to breathing. The success of any operation relies heavily on good communication and coordination between individuals, organizations or communities. Extensive communication between members of the group is required for implementing a program and controlling its various activities at different levels. Information and data collected through effective communication among people involved in a program certainly helps in making reasonable decisions. It is well known that a manager can only be successful if he/she possesses the art of communicating efficaciously with his/her employees. Effective communication enables him/her to create good interpersonal relationships between his elements, change their attitude towards each other, and encourage cooperation with the purpose of improving human relations (Kushal 21).

Therefore, today effective communication is an essential ingredient as it plays a basic role in the success and progress of any organization. According to S. J. Kushal, Professor G. P. Tesane said in this respect:

Good communication skills are necessary in any job but especially in positions that involve interaction with clients and company management. A successful businessman must be able to clearly, concisely and eloquently convey information and ideas to the people (qtd. in. Kushal 13).

Effective communication relies on the following issues:

- Completeness: the message must be complete, i.e. it must answer all the questions with: how, who, what, when, where and why, for a complete understanding of the receiver.
- Conciseness: the message is to be as brief as possible, with the fewest words.

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- Clarity: the message must be clear and easily understood.
- Correctness: the message has to be correct, i.e. the facts and characteristics used the communication should be correct.

Based on (MTD training) a skilled and effective communicator is required to:

- understand the situation, the message and the listener
- make the message clear, concise, and direct
- tell someone to do things without arousing negative feelings
- keep an open mind and be tolerant vis-à-vis other cultures
- Listen seriously and show interest
- Be observant
- be sure your message is well structured
- Use the adequate body language, because this can sometimes be misleading; some gestures and facial expressions may be interpreted differently in different cultures (11).

Nowadays, several institutions would rate communication skills as a fundamental parameter when choosing their executive staff. Good communication with others may predict job success.

1.3.3.2 Common barriers to communication

Communication can only be partially successful, because perfect communication is impossible. This is certainly due to some barriers that may arise between the sender and the receiver of the message. This generally leads to miscommunication. Miscommunication is defined as a failing way of communicating as a result of the existence of barriers between communicators. Different kinds of barriers to communication are likely to exist at any stage in the practice of communication. These barriers may give a distorted meaning to the communicator's message; therefore, there is a high risk of wasting both time and/or money as a consequence of confusion and misunderstanding. Consequently, these

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barriers are to be overcome in order to communicate effectively and convey messages clearly and concisely (youneed.com).

Means classified the main barriers that may exist in communication as follows:

a- Language: the kind of vocabulary used is important when communicating with others. Unfamiliar words, jargon or slang must be avoided.

b- Organization: the organizational regulations within a group may act as a barrier to effective relationship between members of the group.

c- People involved: the communicators (sender and receiver) are key elements.

d- Attitude and emotional state: the mental condition of parties involved is essential. It may sometimes be difficult to express personal emotions and feelings.

e- Physical and psychological conditions: noise and bad lighting at the place where communication takes place as well as poor hearing or vision conditions of communicators can be serious barriers to effective communication.

d- Cultural, social and geographical differences: effective communication between different cultures, societies and regions is usually difficult to attain (11).

1.3.3.3 How does miscommunication or barriers arise?

As the name suggests, miscommunication is a bad form of communication, due to numerous barriers. In this case, Covey suggested that a distorted message is transmitted and therefore proper communication does not occur (113).

Miscommunication or barriers may emerge from the following points:

- Bad formulation of the message.
- Not enough experience in writing and/or speaking.
- Poor transmission or reception of the message.
- Inability to interpret the message correctly.
- Disparity between the emitter and the receiver of the message.

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- Using inappropriate language that leads to misunderstanding of the message.
- Displaying inappropriate body language.
- Defensiveness or premature assumptions.
- Opinions founded on cultural or racial differences.

1.4 The Intercultural Communication

Intercultural communication is simultaneously a concept and a skill, as a concept it is defined as situated communication between individuals or groups of different linguistic and cultural origins. Fundamentally, intercultural communication is seen as that kind of communication that exists between people or groups with different linguistic and cultural origins. Communication is that active bridge established between individuals by mean of language, and intercultural indicates this communication is between people of different cultures (Anderson 73)one must understand that culture is a well-structured expression of human behaviour within a specific political, linguistic, economic, institutional, and professional environment.

Intercultural communication is used to describe and eventually solve a wide range of communication problems that naturally appear within an organisation made up of individuals coming from different religious, social, ethnic, and educational backgrounds. Intercultural communication is at times referred to as cross cultural communication. In this sense, it seeks to understand how people from different countries and culturesact, communicate and perceive the world around them. Many people in intercultural business communication argue that culture determines how individuals encode messages, what cultural mediums they choose for transmitting them, and the way messages are interpreted. Moreover, it studies how people from different cultural backgrounds interact.

Aside from language, intercultural communication focuses on social features, thoughts patterns and draws attention to cultures of different groups of people by understanding their languages and customs. Therefore, intercultural communication

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can be related to several other fields of study such as anthropology, psychology, cultural studies and linguistics. It is also referred to as the stand for international business. Today, a great number of cross cultural courses and training sessions are offered to learners to help them develop their intercultural communication skills and make them successful cross cultural communicators. (Nancy and Adler 02-03)

1.4.1 Intercultural Communication Skills

Janice Mulholland, higher education manager for the (British Council in the USA, 2012) summarizes new research about how employers in nine countries view the role of intercultural skills in the workplace. According to him intercultural communication skills are important factors in our daily life interactions, since there are considerable numbers of people, who fail to perform well in an international setting, where such skills are usually required. This is especially demanded from those who are interested in working abroad or in multinational companies which recruit people from different countries, races and backgrounds. There are three basic skills which are resumed in intercultural communication, i.e. competence, cultural awareness and cultural intelligence. Generally, these skills enhance the speakers' ability to learn more about others and help them as well to communicate successfully, and consequently eliminate confusion and misunderstanding.

1.4.2 Intercultural Competence

Just like most skills, Intercultural competence is also one that can be learned. Once acquired, the learner can be ready for improvement. Indeed, intercultural competence helps communicators attain better results when dealing with people from different countries. Therefore, there is an urgent need to know and get familiar with the cultural dimensions of other foreign regions around the world. It is important to keep in mind that communicative competence is an essential ingredient in our everyday interactions in general, and in business world in particular. Today's globalization urges for more contact between companies, organizations, and

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individuals around the world; they all need that ability to communicate successfully in various situations (Fantini12).

From another point of view, intercultural competence is regarded as the ability to communicate and interact well across cultures .Byram (1997) suggests that people who are “Interculturally Competent” have a solid understanding of their own culture and how it has shaped them, and make connections between how cultural elements manifest in behaviours across cultures. According to Byram, intercultural competence includes features like:

- Curiosity and openness to other cultures
- Understanding of social practices, and products in both one’s own culture and the target culture.
- Ability to relate something from another culture, and make it comprehensible to members of one’s own.
- Ability to use new knowledge of a culture, in authentic situations.
- Ability to critically evaluate the cultural practices and products of one’s own culture and that of other countries (06).

Intercultural competence is the active possession by individuals of qualities which contribute to effective intercultural communication. It can be defined in terms of three primary attributes: knowledge, skills and attitudes in the context of this document, the acquisition of skills and human attributes is likely to enhance intercultural communication, because it is viewed exclusively as a component of language programmes, i.e. as an accompaniment to the practical acquisition of language itself.

Guirdham (1995) says that to work successfully with people of other cultures, one must understand their ways of working. For example, Americans value direct verbal interaction and straight speaking, whereas the Japanese value spiral logic and indirect verbal interaction. Both Japanese and Chinese place great importance on ‘saving face’ and ensuring that neither the sender nor the receiver of a message is

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embarrassed. Consequently they may appear to understand a message when they don't, or to agree with you when they have no intention of complying with your wishes (Fantini4). A cross-cultural Intercultural Interaction is a reciprocal influence or action of a person from one national or organizational culture on another person or people from different national or organizational culture (Rozkwitalska 42).

Individual and organizational factors are influenced by three levels of mind programming; they all belong to major determinants of human actions (Hofstede17-18).

1.5 Intercultural Business communication

Communication is very helpful in building cultural intelligence through coaching and training in cross-cultural communication, cross-cultural negotiation, multicultural conflict resolution, customer service, business and organizational communication. Cross-cultural understanding is not just for incoming people. Cross-cultural understanding begins with those responsible for the project and reaches those delivering the service or content. The ability to communicate, negotiate and effectively work with people from other cultures is vital to successful international business (Aqil 1).According to Kawar (2012), the word Intercultural Business Communication, is a new word in the world of business he claims:

The term “Intercultural business communication” is a new term in the world of business which may be defined as the communication that takes place within businesses whereby there are employees from different cultural backgrounds Therefore, good knowledge of intercultural communication as well as international business communication is of utmost importance to give individuals the opportunity to compete internationally (Kawar 107)

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In simple words, the world of business necessitate communication as a main element at work, this communication can occurred between people coming from different parts of the world, having different ideas and different ways of thinking, hence a good knowledge of intercultural business communication is vital .

1.5.1 Effective intercultural communication competence in business

In order to attain a good level of intercultural communication competence, business corporations should impose some training courses before offering a job to workers with different cultural backgrounds. This can help them learn and practice the patterns of daily life in the target culture, by participating to a number of information-oriented activities, in order to know more about the current lifestyle within the target culture and compare it with that of their own and therefore discern the similarities and differences; This will certainly make them develop a number of skills that will enable them to have an idea about the people they will be interacting, working and dealing with. Such fundamental skills shall enhance their ability to learn more about the culture of others, so that all misunderstandings disappear and a good communication is introduced (Fred p05).

1.6 Conclusion

Intercultural communication occurs when people influenced by different cultural backgrounds try to interact and work together towards the same goal. In this context, cross-cultural communication is increasingly significant in today's globalization of markets, affairs of nations and technologies. Particularly, effective communication is a major constituent in any organization. The importance of well-operating internal communication in multinational corporations (MNCs) is even more critical than in domestic companies. As MNC's units are dispersed around different regions of the world, some barriers to effective internal communication may arise. These are to be avoided by any means for a successful and flourishing business.

CHAPTER TWO

Cross Cultural Management in Multinational Companies

CHAPTER TWO: Cross Cultural Management in MNCs

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2.1 Introduction

The process of communication is crucial in any business; it can take place in various ways. Business communication is about sending and receiving information between individuals. This process may sometimes be difficult when they come from different cultures. Managers and employees in any business institution, such as multinational corporations (MNCs), should communicate and interact effectively to aspire to success. Communication is required to be reliable, credible and accurate.

This chapter discusses issues and perspectives regarding culture and cross-cultural communication at the workplace. It focuses on the importance of well-functioning communication in a business institution, such as a Multinational Corporation (MNC), and shows the essential role it plays in its success.

2.2 Definition of Multinational Corporations (MNCs)

This is an enterprise operating in several countries but managed from one home country. It is a corporation that has its facilities and other belongings in at least one country other than its home country. Such companies have offices and /or factories in different places around the world. A Multinational Company is sometimes referred to as a “Transnational Corporation”. Generally, any company that derives at least one quarter of its revenues from operations outside its home country is considered as a Multinational Corporation (Lazarus 01). Mead (1998) defined a Multinational Corporation (MNC) as a corporation that is headquartered in one country and has production or service subunits in one or more other countries.

According to the United Nations conference on trade and development (1999):

Multinational corporations sit at the intersection of production, international trade, and cross-border investment. A multinational corporation is an enterprise that engages in foreign direct

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investment (FDI) and owns or controls value adding activities in more than one country (Dunning 3).

There are four categories of Multinational Corporations:

- 1- A multinational, decentralized corporation with strong home country presence.
- 2- A global, centralized corporation that acquires cost advantage through centralized production wherever cheaper resources are available.
- 3- An international company that builds on the parent corporation's technology or Research and Development projects (R&D).
- 4- A transnational enterprise that combines the previous three approaches. (Ibid 03)

According to data from the United Nations Organization, nearly all major multinationals are American, Japanese or Western European, such as, (Google, Microsoft, apple, Nike, Coca-Cola, BMW) . Advocates of multinationals say that they create jobs and wealth and improve technology in countries that are in need of such development. On the other hand, critics say that multinationals can have excessive political influence over governments, can exploit developing nations as well as create job losses in their own home countries (UNCTAD 2000).

2.3 What are Cross cultural differences?

Culture refers to all the inherited values, concepts, and ways of living that are shared by the members of the same community. Culture is defined as “the collective programming of the mind distinguishing the members of one group or category of people from another (Hofstede 46).

Broadly speaking, culture can be divided into two categories; the first one is generic culture which relates to culture common to all humans living in this world. The second is local culture, which concerns all values, symbols and concepts shared by a particular social entity. To put it simpler, culture involves a set of values that belong to a specific ethnic group with the same social background.

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Obviously, culture changes with time; it is dynamic. These changes might sometimes lead to conflicts which may actually arise on account of the differences in cultures. A conflict is generally defined as:

A competition by groups or individuals over incompatible goals, scarce resources, or the resources of power needed to acquire them. This competition is also determined by individuals' perceptions of goals, resources, and power and such perceptions may differ greatly among individuals. One determinant of perception is culture, the socially inherited, shared and learned ways of living possessed by individuals in virtue of their membership in social groups (Avruch 5).

Cultural differences, which may lead to conflict of views and opinions, are generally referred to as “cross-cultural conflicts” or “cross-cultural differences”, effective cross-cultural communication is required so that people belonging to different cultures can communicate efficaciously. This is particularly important between employees of business firms, in order to achieve the firm's business objectives. For cross-cultural communication to be effective, a business must consider and understand the components associated with culture. In doing so, a number of communication barriers may be overcome (Adler – Nancy 136).

A “cross-cultural conflict” may occur between individuals with different cultural backgrounds among the same social entity, as a consequence of various cultural settings of each culture. The conflict that might arise between individuals from different cultural features can be considered as a “cross-cultural conflict”. Moreover, a conflict may occur within the same social group according to different standards, such as family, language, religion, ethnicity, nationality, socioeconomic characteristics, education, and occupation, among others (Elmer 22).

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Today, the whole world is perceived as a global village, where individuals from various parts of the world, coming from different cultural environments, are interacting, working and communicating together. Obviously, today the world is seen as a melting pot, i.e. an environment in which people from different cultures, with various ideas and values, are socially assimilated. Such a situation requires giving more attention to cultural diversities. Nowadays, with the advent of globalization, communication among cultures is urgent. Furthermore, good and effective communication in the workplace is actually required for a better understanding among people. Communication is the means by which meanings are expressed, identity is emphasized, and feelings are carried. When a person communicates, using his/her cultural background, both conflict and understanding are possible consequences of any interaction.

Cultural varieties can easily be found and experienced at work, and these may sometimes lead to conflict situations when it comes to reaching sales targets, meeting deadlines, working on tight budgets, etc. Due to the cultural differences, some sort of misinterpretation or misunderstanding may arise among people working together, such as in Multinational Corporations (MNCs), due to their diverse values, beliefs, backgrounds, race, education, etc. Such corporations can only be successful if their employees, coming from different cultural backgrounds, work and communicate effectively, no matter what their cultural orientation and beliefs are. Convincing evidence on this is witnessed in the successful management of several western Multinational Corporations (MNCs), encountered in various parts of the world, mainly in the Middle East (Abdallah 56).

The employees of such institutions usually come from various areas around the world, with different attitudes, behaviors, functioning, communication issues and cultural implications, but still come up with good, if not excellent, managerial results. They all embrace the value of respecting and considering others, who might possess norms of different places and contrasting conducts. Each member of the group should value some specific issues and behave in ways that lead the group to

success, which is the key objective of any Multinational Corporation (MNC). (Abdallah 77)

2.3.1 Cross-cultural Differences in Multi-national Corporation (MNCs)

Different cultures have always shown cross-cultural differences which unfortunately affect the way people from different cultures communicate. Employees in numerous firms, which must operate in various regions of the world, have to deal with other cultures that they ought to accept, respect and get accustomed to.

The famous sociologist Geert Hofstede, who studied employees working in a Multinational Corporation (Reynolds & Valentine, 2011), stated four modes that may assist a person in analyzing and understanding other cultures:

- Individualism vs. Collectivism: the individual is given more importance in some cultures, while in others the group is more emphasized.
- Power distance: The culture where organizational power is an unconditional feature every member of the group must have.
- Uncertainty avoidance: According to Hofstede, cultures are different; some of them are more inclined to accept change as a challenge than others.
- Masculinity vs. Femininity: “Masculine” and “feminine” are two terms that are to be rejected. They should be neglected in order to value other matters which are more crucial to the success of the organization (Khosrowpour 62).

When cross-cultural differences are not dealt with carefully many communication barriers may arise. These barriers are likely to stem from differences between cultural values. They lead to lack of effective communication. For instance a gesture is interpreted differently from one culture to the other. It is therefore clear that these barriers can only be overcome if intercultural

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communication is well understood and practiced by each member of the MNC (Tagreed 106).

Today, global organizations are facing huge challenges in establishing and preserving a cooperative culture when working in the international, national, regional and local context. Managers in Multi-National Corporations should promote and encourage the appropriate culture to lead their organization towards success and progress. Hofstede's modes of helping people understand cross-cultural differences are also defined as dimensions of national culture (Ibid 108)

2.3.2 Dimensions of National Culture

National culture is defined as the culture that a group of people have in common. It is a collection of some basic values, practices, standards, and habits etc., which determine the behavior of the members as well as that of the entire group (Adler 17).

National culture refers to the set of norms, behaviors, beliefs and customs that exist within the population of a sovereign nation . International companies develop management and other practices in accordance with the national culture they are operating in (businessdictionary.com). Professor Geert Hofstede carried out a detailed study on how values in the workplace are impacted by culture. According to him, culture is “the collective programming of the mind distinguishing the members of one group or category of people from others”. He stated that the theory of national culture has a number of dimensions which are believed to have shed much light on cross-cultural communication in numerous contexts and areas (Hofstede 16).

According to the same author, organizational culture and national culture are two distinctive issues (Hofstede 25).

Indeed, organizational culture has to do mostly with practices within the organization while national culture is more concerned with values which are instilled in a person through family patterns and education in school. An individual

acquires some practices when he/she is exposed to various social experiences and changes to which he must adapt (Hall 126).

2.3.3 Organizational Culture

Organizational culture is known to refer to a set of behaviors and values that characterize a particular social and psychological environment of a grouping. It encompasses the grouping's expectations, outlooks, experiences, values and beliefs that make it stand together (Schein 35) .

Organizational culture appears in the group's self-image and interactions with the outside world, as well as in its future expectations. It is founded on shared attitudes, faiths, and traditions, along with some stated reasonable rules that have been previously established through several years. Moreover, incentives, such as monetary and non-monetary rewards like status, recognition and advancement, and sanctions to which members of the organization are subjected are also essential in shaping culture within an organization. Today organizational culture provokes a vigorous debate as it plays an essential role in determining behavior in organizations (Watkins 57).

In Multi-National Corporations (MNCs), organizational culture can be clearly shown in:

- 1 The manners the organization carries out its business, deals with its employees and customers, as well as the wider society.
- 2 The degree of freedom allowed in issues such as decision making, formulating new ideas, and personal opinions.
- 3 The way information flows through its structure.
- 4 The employees' commitment towards organizational goals

(Businessdictionary.com)

Moreover, organizational culture has a significant impact on the organization's productivity and performance; it offers guidelines on customer concern and service, product quality, attendance, punctuality, and concern for the

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society. Production methods, marketing and advertising patterns are influenced by the organizational culture as well, and may also extend to creating new products. Organizational culture is fundamental for every organization; it is one of the most difficult matters to change. Cultures are dynamic as they move, gradually and progressively, in reaction to external and internal changes. Particularly, organizational culture should always be learning, developing and growing, because “An organization is a living culture that can adapt to the reality as fast as possible.” (Abdi 3).

However, today a great challenging question would be to give an accurate definition of organizational culture because there is no total agreement on what it means exactly. It is well known that without an acceptable and sensible definition (or definitions) of culture, there is little chance to understand its relations with other basic components within the organization, because in large part, culture is a product of understanding and tolerance (Schein 115).

An appropriate definition of organizational culture allows identify problems and even design and develop better relationships with colleagues inside the organization. This is well confirmed by Alan Adler when he said “Organizational culture is civilization in the workplace”(9).

2.3.4 High context and low context communication in cross cultures

We are actually living in a continuously connected and interdependent world where effective communication has become more important but also much more complex. However, it is often not speaking different languages that cause the greatest problems in communication but rather coming from different cultures. According to Edward T. Hall, one such difference is encountered in what is today called the issue of high context culture and low context culture which greatly contributes to cross-cultural communication. (Hall 129).

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In low context culture things are entirely, clearly and briefly detailed. Every detail is important in order to make things explicit. However, in high context culture communicators consider a lot of knowledge and views as common and evident, and therefore do not express things explicitly; they do it in a more implicit and indirect way (Ibid 30).

From here, it can easily be said that interactions between high and low context peoples can be problematic. For example, French feel that Germans are too serious about every detail by explaining even things that seem to be obvious, while Germans may think that French managers are too superficial and do not provide essential details.

High-context and low-context communications are a set of tools which are usually used by communication scholars to determine how a message may be conveyed effectively and how to avoid any kind of conflict. Edward T. Hall states that communication is to be classified into two basic categories which are high-context and low-context. He says that every human often engages in both high-context and low-context communication. When people communicate, they use some sort of high context and low context communication (Hall 131).as Cavell declares:

When we say what we mean, and mean what we say, we try to be very explicit by giving all required details in order to be fully understood. This is low-context communication. On the other hand, we may just insinuate and imply, without using clear or direct words; no details are given. This is high-context communication.
(Cavell 34)

These two kinds of communication, i.e. high-context and low-context, are used depending on whether the communicator tends to let his/her words speak for themselves (low-context communication) or use indirect messages (high-context communication).

2.4 Barriers to cross-cultural communication at the work place

With globalization, business companies, like the Multinational Companies (MNC), whose employees come from different cultural backgrounds, have to adapt to new working situations if they want to be successful. As they operate in different countries and cater to the demands of clients with different cultural values, it is essential for them to seriously take into account the trans-cultural differences and the communication barriers that may exist between their employees and so can hinder their progress and development. This is certainly very important in the sphere of communicating with people originating from various cultures, and therefore having diverse standards, rules, practices and philosophy of the business.

Any business firm ought to develop a suitable communication system which must act as a mechanism to transfer knowledge. Moreover, Multinational Companies have to take a number of steps to overcome the barriers to real cross-cultural communication in order to achieve their organizational goals effectively and efficiently.

In today's world, one of the biggest challenges that face trans-cultural business firms is to develop a certain intercultural competence in their organizational setup in order to get over these barriers or roadblocks to communicate efficiently. The organizational setting of any ambitious corporation has got to be in harmony with sensitivities of different cultures (Robins 123).

Trans-cultural corporations have to develop and adapt their communication policies at work in order to ensure a good reactivity and responsiveness towards cultural variety (Ambos - Schlegelmilch 17).

On the other hand, such Trans-cultural Corporations have to keep in mind that obsession to place special or excessive emphasis on the differences between different cultures may lead to some kinds of stereotypes, and such situations may prove to be a serious hindrance in communicating with other people. (Erez - Miriam

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9) Indeed, any globalized business environment should think about training their people to allow them to deal with diversity at the work place. Today, most big business firms send their workers to different parts of the world to perform various duties and their success in their mission will only depend on the way they deal with the cultural values their encounter there.

As previously stated by Hofstede (Hofstede 23) the theory of national culture must give special attention to cross-cultural communication in the business context. Indeed, a significant contribution to cross-cultural communication is certainly made by the high context and low context theory, introduced by Hall (Hall 97).

Barriers to cross-cultural communication at the work place may occur as a result of inadequate management, failure of understanding between managers and workers, language and religious differences, workers' expectations, etc. These issues may hinder the communication process among people and can add complexities to the situation. Broadly speaking, communication barriers can be viewed as issues related to the management of the staff's behavior (Ybema -Byun 3)

Communication barriers generally result from the lack of understanding between participants to the dialogue. Basically, culture tends to establish different attitudes and approaches to solving problems created by these barriers. In such situations, the management and staff have to find the appropriate approaches to overcome these barriers.

In today's world of multiculturalism, any communicator has to be competent in intercultural communication. He must be able to find the right measures and approaches that may be taken to get over barriers in cross-cultural communication. Being competent in cross-cultural communication would certainly help any business organization, such as a Multinational Company (MNC), to reach the expected objectives if the values, norms, beliefs of the people present at the work place are respected. To be successful, a business corporation has to establish an

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intercultural competence in its organizational setup in order to overcome the barriers to cross-cultural communication (Welch 17).

To succeed in today's global market; Multinational Companies (MNCs) must develop some strategies to overcome the barriers to cross-cultural communication. Such strategies may be found in the following steps:

- 1- Organize meetings to introduce employees to other cultures. This will certainly enable employees to work together in an environment of harmony and understanding. Learning about another culture's language, beliefs and habits helps prepare the people at the work place deal with situations as they arise. Changing preconceptions can help improving working relationships.
- 2- Carry out activities to show the importance of good relationships at the work place.
- 3- Set up workshops or even casual receptions to allow employees for more contact. This may help communicating effectively in cross-cultural work environments. People tend to act according to the values of their own culture. Practicing such strategies can enhance involvement of employees and ensure that conflicts do not arise because of cultural misunderstandings due to lack of effective communication.
- 4- Train workers to find solutions to conflicts related to cross-cultural misunderstandings. Give opportunities to employees to react positively to opinions different than theirs. In other terms, teach them how important is tolerance towards the others for the success of the entire business corporation (Duggan 14)

2.5 Measures to overcome barriers in cross-cultural communication

Current theories in management do not provide adequate frameworks to explain the successes or failures of people working and managing in foreign cultures. The following section provides effective strategies for training people on

global perspectives in order to develop their capacities by examining the issues of communicative competence, intercultural competence and cultural awareness.

2.5.1 Developing communicative competence for MNC workers

Communicative competence is a combination of two words used interchangeably to mean the competence to communicate. Therefore communicative competence is the ability to understand and use language appropriately to communicate in reliable work and school environments. Dell Hymes was the first person to introduce the idea of communicative competence in terms of appropriateness. According to him, communicative competence is the knowledge of grammar rules as well as the rules of language use, which are appropriate to a given context (Hymes, 1972). He stated that communicative competence is “what a person needs to know in order to communicate effectively in a culturally significant situation” (Hymes, cited by Bagarić 94-95).

On the other hand, Peter Praxmarer makes a link between communicative competence and intercultural communicative competence in which he describes the latter as follows:

Intercultural communicative competence is increasingly seen as “dialogical competence” and “participatory competence”, as well as the result of “networking”, and not just as the mastering of technical skills or the pursuit of a communication strategy in a specific organizational or situational environment, which again underlines the importance of the relational aspect in intercultural communication (Praxmarer 27).

In addition to this, Celce-Murcia et al (1995) maintain that communicative competence includes four competences: grammatical competence (i.e. Understanding and using the language code), sociolinguistic competence (i.e. having awareness of social rules of language, cultural references, verbal and non-verbal behaviors), strategic competence (i.e. using techniques to overcome language

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gaps as well as achieving conversational fluency) and discourse competence (i.e. understanding how ideas are connected through patterns of organization, cohesive and transitional devices). Pragmatic competence is also involved in this model under what is known as the sociolinguistic competence, as described by Canal and Swain (1990). Consequently, pragmatic competence can be regarded as one of the main components of communicative competence.

2.5.2 Improving intercultural competence in multinational corporations

The American anthropologist Hymes, defined intercultural competence in his book on “Communicative Competence”; he says that:

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 (Hymes 75).

That is to say, intercultural competence includes the grammatical veracity and social appropriateness in using language. Here, two essential points are to be mentioned:

- Appropriateness which means that the valued rules, norms, and expectations of the relationship must not be violated significantly,
- Effectiveness which implies, that the valued goals must be achieved in accordance with the initial expectations.

Various publications list a number of necessary competencies for intercultural communication. Twelve affective, behavioural and cognitive competencies have been identified by Michel Byram, which are classified as follows:

- Self-awareness: a person must be conscious about himself or herself and about his/her reputation.

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- Appropriateness: one has to know about the socially appropriate communicative behavior.
- Self-confidence: everyone must have a realistic and positive confidence in his/her own judgments, capacities and powers.
- Effectiveness: a person ought to know how to be effective.
- Motivation: this is an essential and fundamental element for success.
- Changing perspectives: an individual has to try to understand actions and reactions of others from their point of view.
- Empathy: one must show interest in other's shared emotions.
- Open-mindedness: an individual is to be open on new ideas and experiences; he/she must interact effectively with other people, with different views.
- Communication ability: one ought to fully appreciate what others say and think prior to answering.
- Tolerance: communication must be free from prejudice, and diversity must be accepted.
- Sensitivity: a communicator must be sensitive to the importance of differences and to opinions of other people.
- Flexibility: a kind of mental elasticity and tolerance is required (13).

These key competencies are developed in intercultural communication; it requires a methodical assessment in order to identify individual strengths and weaknesses. Diagnostic frameworks like the ICCA™ (Intercultural Communication and Collaboration Appraisal) are used to study subjective viewpoints; they focus on awareness of certain behaviours and attitudes.

As a result, improving staff intercultural competence will help to remove the communication barriers. Meanwhile Intercultural competence could be improved throughout the following trainings:

A- Language training

Language barrier is the greatest problem encountered in communication, and it is preferable to provide workers with language

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training for those who have more chances of coming in contact with foreigners. This will certainly reduce misunderstandings.

B- Cross-cultural knowledge training

Cross-cultural knowledge training means admitting the existence of differences between cultures; such differences can be found in perceptions and interpretations. These differences have to be identified, described, explained, and understood. Recognizing the culture of a colleague is considered to be the first condition of mutual understanding and good cooperation. To recognize a culture, one should, without any doubt, know about its beliefs and values. 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” (Albescu 4).

In their daily contact with foreigners, most working staff only concentrate on the language issue, ignoring its closely related element which is culture. As a result, they encounter cultural obstacles when they communicate with foreigners. This means that, in order to make international communication successful, An individual should study and learn the target culture, as cited in the “Journal of Languages and Culture” (Yajun 46-47).

According to Robert Bean, in cultural training programs, one should:

- Embrace local culture
- Build relationships
- Employ locals to gain cultural knowledge
- Help employees understand each other
- Adapt products and practices to local markets
- Coordinate by region

Concerning cultural awareness, it is essential to:

- Understand your own culture
- Understand and accept logic of other cultural frameworks

- Learn about other cultures (16)

People can prevent cross-cultural conflicts by learning about cultures they come into contact with. Prevention of such cross-cultural conflicts is possible through training programs, general reading about other cultures, talking to people from different cultural backgrounds, and learning from past experience.

2.5.3 Raising Cross-Cultural awareness in the work place

As business is becoming increasingly globalized, there is an increased diversity in the workplace, with a multicultural emphasis on society. Cultural awareness has become one of the most important business tools in almost every industry. Understanding the cultures of people around you enhances communication, productivity and unity in the workplace. Formal cross-cultural awareness training is very helpful for problem solving in multicultural business teams. However, in the meantime, there are several cultural awareness techniques which are useful (Quappe and Cantatore, 2-3).

Some of the following techniques are to be considered:

A-Cultural knowledge

Cultural knowledge can be defined by the way it is acquired, when objective or accurate information is obtained through communication, research and education. One of the easiest ways for a manager to understand his multicultural coworkers is by studying their cultures. Reading books and searching the Internet are the most accessible sources of relevant information about other cultures. Although you might not ever put to use most of the knowledge you acquire, you will still be able to better understand those you work with as well as your international clients. On the other hand, experiential knowledge can be acquired only by being involved in a culture other than one's own. Another kind of knowledge is that of interpretive

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knowledge which refers to the ability to understand and fully appreciate the degrees of different cultural traits and patterns.

B-Putting Cultural Knowledge to Use

If you want to learn something interesting about a coworker's culture, then you have to ask about it or mention it in a relevant manner. This might seem uncomfortable at first, but your coworkers will eventually understand your effort to educate yourself. Using acquired information as it comes up to you will serve to break down multicultural barriers, and help everyone in your team to be more comfortable around each other; they will be more willing to teach others about different cultures.

2.5.4 Enhancing Intercultural Intelligence

In a global market, where international teams and joint ventures are increasingly common, it is extremely important for people to integrate themselves quickly in new cultures.

Cultural intelligence, also known within business as “cultural quotient” or “CQ,” is a skill in management which means that understanding the impact of an individual's cultural background on their behavior is essential for successful business; it is about measuring an individual's ability to engage successfully in any environment or social setting (Praxmarer 23).

Cultural intelligence can be defined as "a person's capability to adapt as he/she interacts with others from different cultural regions. People with higher CQs are regarded as better able to successfully mix together into any environment.

According to Praxmarer, cultural intelligence is developed through:

- cognitive means: the head (learning about your own and other cultures, and cultural diversity)
- Physical means: the body (using your senses and adapting your movements and body language)

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- Motivational means: the emotions (gaining rewards and strength from acceptance and success) (Praxmarer 23-24).

2.6 Conclusion

Managers must express particular concern regarding the aspects of communication at the workplace. They are required to improve the communication system within their corporation to make it more effective. The information communicated inside the company should be perceived as reliable and trustworthy. Furthermore, regular personnel meetings and frequent dialogs are to be held from time to time, because they are constructive and informative; they are an effective tool for the communication inside multinational corporations. Efficient communication between coworkers and colleagues is a fundamental ingredient of a business, as it may help increase the probability of a favorable work environment.

General Conclusion

General Conclusion

Culture can be defined as the inherited values, concepts, and ways of living which are shared by people of the same social group. As it is well known, nowadays the world is becoming a global village, in the sense that the technological achievements of this modern time have brought people closer together. This also means that people from different parts of the world, with different cultural backgrounds, are working and communicating together. This fact is in a way interesting, but dealing with people from different cultures requires knowing the cultural varieties. Working with people in any organization requires dealing with issues such as motivating employees, structuring policies and developing strategies. In this case, there has to be a kind of understanding of the cultural diversities in order to apply the afore-mentioned issues in the workplace. The aim of this paper is to analyze the problems of cross-cultural communication in overseas enterprises, and to propose some management strategies to overcome the cultural barriers and reduce differences.

The communication process is becoming difficult due to language and culture differences. As international companies are expanding their business all over the world, they need skilled workers, who are able to communicate effectively and transmit ideas and information throughout their companies. This research paper is divided into two chapters; the first one deals with a literature review about communication as a process that involves a sender, a receiver and the communication medium used. Communication problems may sometimes arise between the sender and receiver. One cannot deny that culture has a significant impact on the behaviour of individuals. It is well established that people with different cultures may face some barriers when trying to communicate. Culture has proven to play a major role in changing the way of thinking of people.

In fact, culture influences not only the individual's manner of perceiving the world around him, but also his way of behaving and interpreting messages. However, it is not just a matter of culture; many other issues may impede communication between people. Indeed, cultural differences among people certainly lead to barriers to effective communication.

Nowadays, with the advent of Globalization, the issue of intercultural communication is to be handled seriously for a successful management in the workplace.

In this research, we attempted to focus on the concept of intercultural communication in order to illustrate its importance in Multinational Companies.

Practitioners agree that culture and communication are interrelated. Accordingly, a set of solutions was proposed in this paper to overcome the obstacles to efficient communication in the workplace.

The second chapter mainly investigated the issue of cross-cultural communication in the business and organizational context. In this respect, managers in MNCs ought to be deeply concerned with the aspect of cross-cultural management, along with organizational culture, leadership styles and motivational strategies. The dimensions of national culture, postulated by Hofstede, are considered to have thrown much light on cross-cultural communication in business context. Combined factors, such as individualism vs. Collectivism, low vs. high context cultures, masculinity vs. femininity, long term vs. short term perspectives, will certainly help overcome most of the barriers to effective communication in Multinational Corporations.

It is imperative to get over differences in cross-cultural communication, since a better understanding can evolve into effective communication in the workplace. MNC managers have to take a set of measures to prevent these barriers to arise in their companies in order to attain the expected objectives.

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