

# Study of Efficiency of Cross Culture Work Environment in An Organization

DR. NEETA BENDRE  
HOD of MBA, AESIMR, Pune

*Abstract- Promoting cross-cultural management can significantly enhance the international business activities of enterprises. This article highlights the key roles and impacts of cross-cultural management, emphasizing its importance in addressing cultural differences between East and West, particularly in areas such as personal relationships, cooperative norms, time perception, and cultural conflicts. It proposes strategies for improving cross-cultural management in international business, including strengthening cultural development, optimizing negotiation methods, adjusting strategic decisions, and refining market choices. These measures aim to ensure the effective and high-level operation of cross-cultural management initiatives within enterprises.*

*Indexed Terms- International Business Activities; Cross Cultural Management; Enterprise*

## I. INTRODUCTION

Cross-cultural management emerges from the expansion of international business activities due to cultural differences between countries. As each country has its unique cultural heritage, origins, and history, people raised in different cultures develop distinct behavior patterns influenced by long-term cultural exposure. In international trade, these cultural differences can shape trade practices, potentially affecting the success of business transactions. Misunderstandings arising from cultural disparities may even lead to negotiation failures, creating significant obstacles for international business operations. However, if multinational enterprises gain a thorough understanding of their partners' corporate cultures before engaging in business, they can effectively minimize cultural misunderstandings, enhancing the potential for successful cooperation. Therefore, recognizing cultural differences and strengthening cross-cultural management is essential

for enterprises conducting international business activities.

## II. THEORY OF RESEARCH AND DEVELOPMENT OF CROSS-CULTURAL MANAGEMENT

Culture is a spiritual synthesis shaped by people's production and way of life within specific geographical contexts. It is a unique social construct that profoundly influences future production patterns and lifestyles. Cultural management, derived from sociological research, refers to managing people and processes across different cultural backgrounds. Its goal is to achieve efficient management by leveraging cultural diversity, enabling enterprises to remain competitive in various cultural environments.

In the context of international business, Hofstede's cultural dimension theory stands out as a key framework for cross-cultural management. It identifies five key cultural dimensions: individualism versus collectivism, power distance, masculinity versus femininity, uncertainty avoidance, and long-term versus short-term orientation. Building on this model, Fons Trompenaars developed a corporate culture and value framework, focusing on aspects such as employee attitudes toward employers, thinking and learning methods, interpersonal relationships, corporate adaptability, and compensation structures.

These theories complement and influence one another, ultimately shaping modern enterprise management models. While international economic and trade activities are often defined by national borders, the advancement of economic globalization has blurred these boundaries. As trade and culture continue to interact, they mutually influence each other, further shaping people's lifestyles and business practices.

Cross-cultural management in international business has evolved from merely addressing cultural

differences to managing diverse behavioral influences requiring a dialectical approach. Research by domestic and international scholars highlights unique cultural traits among the British, including strong individualism, social hierarchy, self-restraint, loyalty, conservatism, honesty, and a balance between class awareness and personal freedom. These cultural characteristics have influenced the UK's international trade practices, notably reflected in the development of "British port trade," which fosters inclusive business activities and cross-cultural exchanges.

French business culture, by contrast, is marked by deep analytical thinking, skepticism toward business practices, a casual work style, and a flexible approach to business dealings. This reflective and adaptable mindset shapes their international trade behavior.

China's business culture, deeply rooted in Confucian values, blends individualism with collectivism. In international trade, Chinese businesses emphasize pragmatic, dialectical analysis of objective realities, balancing traditional cultural norms with modern business practices. These distinct cultural perspectives underscore the need for nuanced cross-cultural management strategies in global business activities.

### III. THE IMPACT OF CROSS-CULTURAL MANAGEMENT ON INTERNATIONAL BUSINESS ACTIVITIES

#### 3.1 Personal Communication Issues

The cultural distance between Eastern and Western regions is considerable, leading to distinct differences in attitudes toward personal relationships. Western cultures prioritize individual values, rights, and independence, emphasizing personal abilities and self-interest. Individuals are viewed as autonomous entities, and personal achievements are often celebrated.

In contrast, Eastern cultures focus on the integration of individual and collective interests, emphasizing harmony between personal, collective, and national priorities. When conflicts arise, Eastern cultures tend to prioritize collective goals over individual desires and national interests over collective concerns.

This perspective is notably reflected in Chinese business culture, where enterprises assess individual contributions based on their value to the organization's development. A harmonious relationship among employees and alignment with corporate goals are considered crucial for business success. These cultural distinctions underscore the need for culturally aware management strategies in international business environments.

#### 3.2 Differences in cooperation criteria

In international business activities, successful cooperation ultimately requires companies to negotiate, express their intentions, and formalize agreements by signing contracts. Cultural differences between East and West significantly influence contract standards and negotiation approaches.

In Western cultures, there is a strong emphasis on legal frameworks, contract awareness, and adherence to regulatory provisions. Contracts are seen as legally binding agreements, with clearly defined terms ensuring that both corporate and individual actions are governed by legal norms. The contractual spirit is highly valued, with businesses and employees adhering strictly to the agreed terms.

Conversely, Eastern cultures tend to prioritize moral obligations and relational norms in contractual agreements. While legal contracts are important, there is often greater reliance on mutual trust, emotional understanding, and flexibility in business dealings. This cultural approach allows for more tolerance and adaptability when resolving conflicts.

Effective cross-cultural management requires acknowledging these differing perspectives on contracts and cooperation. Businesses must balance legal and moral contract principles, ensuring that both parties' cultural values are respected while adhering to international business standards and regulations.

#### 3.3 Time Differences

Time perception in business activities differs significantly between Eastern and Western cultures. In Western countries, there is a strong emphasis on time management, with time being considered a critical performance indicator. Punctuality and adherence to schedules are highly valued, and meetings typically

start precisely as planned, leaving little room for delays or flexibility. Strict time planning reflects professionalism and respect in Western business culture.

In contrast, Eastern cultures often have a more flexible approach to time. Scheduled meetings may experience delays or even missed appointments due to a more relaxed attitude toward time management. This cultural perspective places less emphasis on rigid scheduling and more on relationship-building and contextual flexibility.

When engaging in international trade, businesses must recognize these cultural differences in time management. For example, when Chinese enterprises collaborate with Western companies, strict adherence to agreed schedules is essential. Failing to do so could be perceived as disrespectful or unprofessional, potentially harming business relationships. Cross-cultural management strategies should address these differences to ensure smooth cooperation and mutual respect.

### 3.4 Avoiding Cultural Conflict in Enterprise

Cultural conflicts can erode trust and ultimately cause business cooperation to fail. This issue manifests in two key ways:

1. **Internal Trust Issues:** Cultural differences may hinder trust between managers and employees in multinational enterprises. Misunderstandings stemming from differing cultural norms can create communication barriers, increase interpersonal distance, and disrupt team dynamics, potentially leading to the breakdown of cooperation.
2. **Business Interaction Conflicts:** When companies from different cultural backgrounds engage in international trade, their distinct business behaviors and thinking patterns can clash. These differences may cause cultural conflicts during negotiations and decision-making processes, complicating business activities.

Cross-cultural management plays a vital role in mitigating these challenges by fostering mutual understanding and reducing cultural misunderstandings. To address these issues effectively, businesses must adopt global strategic concepts, emphasizing the development of international business awareness. Enterprises should

transition from localized market and resource strategies to comprehensive global business strategies, promoting the globalization of capital and production. This approach not only minimizes cultural conflicts but also enhances the competitiveness of multinational corporations in the global market.

## IV. APPLICATION COUNTERMEASURES OF CROSS CULTURAL MANAGEMENT IN ENTERPRISE BUSINESS ACTIVITIES

### 4.1 Strengthening Cultural Construction among Individuals

Pankkimerwett, in his book *Who Says Distance is Not a Problem*, emphasizes that in business activity management, distance should not only be analyzed from a spatial perspective but must also take into account factors such as cultural, geographical, and economic differences. In the era of economic globalization, Chinese enterprises must not overlook the impact of cultural differences in international business activities. They should develop a deep understanding of the cultural context of their target countries and partners.

Today, there are many avenues available to enterprises for cultural development. For example, the China-ASEAN Expo and the China-ASEAN Cultural Industry Forum serve as key platforms for Chinese companies to engage with the cultures of countries within the East China Free Trade Area. Leveraging such opportunities, Chinese enterprises should focus on enhancing their cultural development, aligning it with their business growth objectives.

Cultural development here goes beyond mere cultural understanding; it involves creating a management model with distinct cultural characteristics. This model is shaped through communication, interaction, and cultural infiltration, ultimately establishing a new corporate culture system. As Alfred Adler's concept theory suggests, the shift in cultural understanding—from hierarchical cultural influence and compromise to cross-cultural cooperative learning—should guide cross-cultural management practices.

To succeed in this context, cross-cultural management should prioritize cultural construction and integration. By promoting cultural integration, companies can help

their personnel gain a deeper understanding of diverse cultures, making "cultural integration" a core component of their corporate culture. This approach will subtly influence corporate management practices and business behavior, enhancing the company's ability to navigate the global marketplace.

#### 4.2 Key to Good negotiation methods

Cultural differences are evident not only in values but also in the behaviors of business entities. In business negotiations, participants' actions are often strongly influenced by their cultural backgrounds, reflecting regional customs and habits. A common example occurs in foreign trade negotiations, where parties may not fully understand or may even be curious about each other's "polite practices." For instance, Chinese people often celebrate the completion of a transaction through gatherings, while Americans generally prioritize efficiency and prefer to focus on work once the transaction is concluded. If Chinese companies, unaware of this difference, insist on post-negotiation celebrations, it could hinder cooperation between the two parties. Hence, during negotiations, it is crucial to adjust negotiation strategies based on the cultural and behavioral patterns of the target country and enterprise. Presenting the company's characteristics and core competencies in a respectful and inclusive manner helps avoid misunderstandings and potential losses.

#### 4.3 Manipulating Strategic Decisions

Cultural differences also impact business decision-making in two key areas: the positioning of a company's strategic development goals and the business model adopted. Chinese enterprise leaders, when formulating business strategies, may base their decisions on their own cultural perspectives regarding the goals of the target enterprise or country, sometimes leading to strategic misalignment. This often results in decision-making biases. For instance, in trade between China and Japan, Japanese companies typically prioritize "efficiency and quality," while Chinese companies tend to emphasize "political achievements and publicity" alongside financial benefits. This divergence in priorities can cause negotiation difficulties and ineffective business adjustments.

In international business, enterprises should focus on understanding the "needs of the target enterprise." A

successful example of this approach is KFC's strategy in China. By adopting a "cultural diversity policy" and embracing a "China-based" business philosophy, KFC adapted its business methods to the local culture. Chinese enterprises can learn from this approach by deeply considering cultural differences and similarities in international business activities, prioritizing the needs of other parties, and adjusting their strategies accordingly to achieve successful outcomes.

#### 4.4 Marketing Adjustment

Enterprises operating in different cultural contexts inevitably exhibit differences in behavior when selecting target markets. For example, in the United States, which emphasizes individualism, companies tend to be more decisive and proactive when seizing market entry opportunities. This ability to quickly identify and act on opportunities, combined with a mature economy, explains why many American brands succeed in global markets.

In contrast, Chinese enterprises often face challenges when entering overseas markets. The moderate and conservative nature of Confucian culture leads Chinese managers to approach market entry with a more cautious and research-intensive strategy. This tendency to conduct extensive research and analysis can cause delays, resulting in missed opportunities.

When determining market selection strategies, it is crucial to consider not only the timing of market entry but also the consumption behaviors of the target country's consumers. For example, if a target country's consumers show a strong "local consumption tendency," a "brand entry" strategy may not be effective. Instead, a strategy focused on establishing new companies locally could be more successful.

In international business, market selection and entry strategies must be adjusted to account for cultural differences. By aligning strategies with the cultural characteristics of the target market, enterprises can improve their chances of success in global expansion.

#### 4.5 Strengthen Individual selection

When building international business teams, it is crucial to select team members based on the needs of

cross-cultural management. This approach ensures that cross-cultural management efforts are supported by high-quality professional talent, which is essential for meeting the demands of international business. In formulating an operational plan for cross-cultural management, it is important to focus on the development of effective talent recruitment and management measures. Specifically, it is necessary to identify and summarize the various conditions required for successful business activities. This allows cross-cultural management strategies to provide more precise support in the recruitment process, ensuring that the right talent is chosen to contribute to the success of the international business team.

### CONCLUSION

Due to cultural differences between countries, international enterprises must prioritize researching and get to know the local cultures when entering new markets. This helps enhance the ability of enterprises to successfully carry out various trading activities and ensures their adaptability to diverse national cultures. As a result, businesses need to recognize the importance of cross-cultural management in their operations and understand its significant role and impact on international business activities. Strengthening this awareness allows companies to better navigate cross-cultural challenges and improve their chances of success in global markets. Both the theoretical frameworks for addressing cultural differences—such as individual adaptation, professional culture, and cultural mediators—and the practical approaches—such as decision-making procedures, task execution, and work evaluation—are all shaped by cultural norms. These frameworks and methods are influenced by the values and practices that prevail in different cultures. In leading international projects across cultures, it is essential to recognize how cultural norms affect leadership styles, communication, collaboration, and decision-making. Effective cross-cultural leadership requires not only understanding and respecting these norms but also adapting management practices to bridge cultural gaps and foster collaboration. This approach helps ensure that international projects are successful and that diverse teams can work together effectively.

### REFERENCES

- [1] Dahms S. The effects of institutions and subsidiary competence on the international market orientation in foreign-owned subsidiaries [J]. *Management Research Review*, 2015(12): 1285-1305.
- [2] White M S. Academic Globalization. And Ice: Cross-Cultural Research And Transnational Education [J]. *Journal of Systemics Cybernetics & Informatics*, 2012, 10(5):88-89.
- [3] A Bullough, F Moore, T Kalafatoglu. Research on women in international business and management: then, now, and next [J]. *Cross Cultural & Strategic Management*, 2016, 3(1):12-14.
- [4] Ye L, Xin J. Research on the cultural conflict and cross cultural management of Multi-National Corporation [J]. *Northern Economy and Trade*, 2016, 4(2):107-110.
- [5] Afroz R, Hanaki K, Tuddin R. The Role of Socio-Economic Factors on Household Waste Generation: A Study in a Waste Management Program in Dhaka City, Bangladesh [J]. *Research Journal of Applied Sciences*, 2012, 5(3):183-190.
- [6] Micheli G, Cagno E, Zorzini M. Supply risk management vs supplier selection to manage the supply risk in the EPC supply chain[J]. *Management Research News*, 2008, 31(11):846-866.
- [7] Karaosman H, Morales-Alonso G, Grijalvo M. Consumers' responses to CSR in a cross-cultural setting [J]. *Cogent Business & Management*, 2015, 2(1):1052-1056
- [8] Dyhr U, Britta B, Svend H. Financial Performance of Entry Mode Decisions: Effects of Control in an Internationalization Context [J]. *International Journal of Business & Management*, 2012, 7(24):846-866.
- [9] Bullough A, Moore F, Kalafatoglu T. Research on Women in International Business and Management: Then, Now, and Next [J]. *Social Science Electronic Publishing*, 2017, 24(2):339-341.
- [10] M Jarosiński, Kozma M, Sekliuckiene J. Comparison of Explicit and Implicit Methods

of Cross-Cultural Learning in an International Classroom [J]. Sustainability, 2021, 13(2):612-614.