MANAGING ACROSS CULTURES

BUS5001

Student Number: [Insert STU number]

Submission Deadline: [Insert deadline]

Word Count: 2832

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Introduction

Globalisation has increased the number of organisations operating across national borders and has created workplaces in which employees and managers routinely work with people from different cultural backgrounds. Although international staffing can transfer expertise and organisational practices, the case illustrates that expatriate assignments may become costly when managers return early and host-country employees feel alienated. The central issue is therefore not cultural difference alone, but how cultural adjustment, leadership, motivation, communication, negotiation, decision making and team working are managed. This report evaluates those factors and identifies practical actions the HRM function can take to improve expatriate adjustment and secure higher performance.

Case Study Overview

In the provided case, the international HRM function is incurring high costs because expatriates return before completing assignments, while host-country nationals are dissatisfied with foreign managers who work differently. These outcomes suggest a reciprocal adjustment problem: expatriates may struggle to interpret local expectations, but host-country employees may also perceive foreign management practices as inappropriate or exclusionary. Consequently, low productivity is unlikely to be explained by expatriate behaviour alone. The staffing problem involves the interaction between individual cultural competence, organisational preparation and the quality of relationships between expatriate managers and local employees.

Cultural Differences Issues

Cultural difference refers to variation in beliefs, values, behaviours, norms, language and practices between groups (Routamaa and Hautala 2008). For expatriates, such differences may affect how authority, communication, time, relationships and work expectations are interpreted. An expatriate is an employee working outside their country of citizenship, often on assignment from a home-country organisation to a foreign operation (McNulty and Brewster 2017). Cultural difference therefore becomes relevant when the manager applies familiar assumptions in a host environment where employees interpret behaviour differently. However, difference should not be treated as an automatic cause of failure. Problems arise when managers and host-country staff are unable to recognise, explain and adapt to those differences, producing misunderstanding, conflict and poor cooperation.

Cultural competence is therefore important because it involves understanding cultural values, beliefs, norms and behaviours and interacting effectively across cultures (Deresky 2016). It requires awareness of one's own assumptions as well as willingness to learn from others. In the case, a lack of cultural competence may prevent expatriate managers from recognising why local employees resist particular leadership or communication practices. Equally, host-country staff may need support to understand the expatriate manager's expectations. Cultural adjustment should therefore be treated as a two-way organisational process rather than a problem located solely in the expatriate.

Leadership

Leadership is likely to be a central source of tension because employees from different cultural backgrounds may hold different expectations about authority, participation, delegation and relationships with managers. Expatriates therefore need to understand the host context rather than assume that a leadership approach effective at home will automatically transfer abroad (Woodland 2016). The case suggests that managers are 'doing things differently' from host-country expectations; consequently, leadership effectiveness depends on adapting behaviour while still maintaining organisational objectives. The key is not to label one national leadership style as superior, but to identify which behaviours enable trust, clarity and cooperation in the particular subsidiary.

Problems can emerge when a manager uses a highly directive approach in a workforce that expects consultation, or when a participative manager works in a context where employees expect clearer hierarchical direction. In either situation, the mismatch can reduce trust and increase frustration. An expatriate manager who recognises this can adjust the degree of delegation, consultation and formality rather than simply reproducing home-country practice. This is especially important in the case because repeated early returns indicate that technical capability alone has not been sufficient; the firm also needs managers who can modify their leadership behaviour in response to host-country expectations (Woodland 2016).

Hofstede's individualism-collectivism dimension provides one way to interpret these expectations. Individualistic cultures tend to emphasise personal autonomy and individual achievement, whereas collectivist cultures attach greater importance to group relationships and collective interests (Geert Hofstede). This can influence how employees respond to individual rewards, delegation and team-based decisions. However, the model should be used as a comparative guide rather than a prediction of how every employee will behave. Organisational culture, professional background and individual personality may be as important as nationality. For the HRM function, the practical implication is to assess actual employee expectations rather than rely on national stereotypes.

Motivation

Motivation is also essential to high performance because practices that encourage employees in one setting may be less effective in another. Recognition, individual rewards, group achievement, status, autonomy and participation can carry different meanings across cultures (Deresky 2016; Steers, Sanchez-Rude & Narvon 2010). In the case, host-country nationals are already disgruntled, so expatriate managers who impose home-country reward or recognition practices without consultation may intensify dissatisfaction. Managers should therefore learn what local employees value, explain performance expectations clearly and combine organisational standards with locally appropriate forms of recognition and participation. This does not mean assuming that all employees from one culture are motivated identically; rather, cultural frameworks should guide questions that managers then test through direct dialogue with their teams.

Communication

Communication is another likely source of difficulty because cultures differ in language use, directness, formality and the amount of meaning conveyed through context. Language remains central to business interaction, but communication problems do not arise only from whether people speak the same language. Managers may interpret the same words, silence or level of directness differently because of cultural expectations (Steers, Sanchez-Rude & Narvon 2010). For the firm, this means that communication competence involves checking understanding and adapting style, not simply assuming that a shared working language guarantees shared meaning.

Even where an expatriate has some knowledge of the host language, effective communication requires understanding how that language is used in context (Volckmann 2014). Some cultures favour relatively explicit messages, while others rely more heavily on contextual cues and established relationships. A manager accustomed to direct communication may therefore appear abrupt, whereas an indirect message may be interpreted as vague by someone from a more explicit communication culture. In the case, these differences could contribute to the perception that foreign managers 'do things differently'. Regular clarification, active listening and opportunities for local employees to question instructions can reduce avoidable misunderstandings.

Non-verbal communication can create similar problems because gestures, facial expressions, tone, posture, eye contact and interpersonal distance may be interpreted differently across cultures (Volckmann 2014). An expatriate who assumes that familiar non-verbal behaviour has the same meaning abroad may unintentionally signal disrespect, disinterest or excessive familiarity. Managers should therefore observe local interaction patterns, ask for feedback and avoid drawing conclusions from unfamiliar behaviour too quickly. This reinforces the wider point that cultural adjustment requires curiosity and verification rather than reliance on assumptions.

Decision Making, Negotiation and Cultural Dimensions

Decision making and negotiation are also affected by expectations about hierarchy, individual responsibility, group involvement and relationships. Hofstede's Cultural Dimensions Theory offers a structured way to compare some of these tendencies through power distance, individualism-collectivism, uncertainty avoidance, masculinity-femininity, long- versus short-term orientation and indulgence-restraint (Geert Hofstede). Its value in this case lies in helping managers anticipate questions about who should make decisions, how disagreement should be expressed and how much consultation may be expected. However, the framework should support inquiry rather than replace it; treating national averages as fixed descriptions of individuals can reinforce the very misunderstandings the firm needs to reduce.

Power distance concerns the extent to which unequal distributions of authority are accepted (Geert Hofstede). In relatively high power-distance settings, employees may expect clearer hierarchy, status distinctions and senior involvement in decisions; in lower power-distance settings, participation and access to managers may be more strongly expected. These differences can affect expatriate decision making. A manager used to making decisions collaboratively may be seen as indecisive where employees expect visible authority, while a highly centralised manager may frustrate employees who expect consultation. The important issue for the firm is therefore fit between leadership behaviour and local expectations, rather than assigning a fixed style to a nationality. Expatriates should learn how decisions are normally initiated, discussed and approved in the subsidiary and then make their own process transparent.

Power distance also influences workplace relationships. If employees are accustomed to close access to managers, an expatriate who creates strong status distance may weaken trust and information sharing; conversely, excessive informality may be uncomfortable where clear hierarchy is expected. The effect depends on the existing subsidiary culture rather than nationality alone. The expatriate should therefore observe how employees currently interact with managers and adjust accessibility, delegation and feedback practices accordingly.

Power distance may also influence negotiation. In more hierarchical contexts, authority to agree terms may sit higher in the organisation and negotiators may need to work through established levels of approval. A manager accustomed to direct access to decision makers may interpret this as delay, while local counterparts may see it as proper procedure. Recognising the decision structure in advance can reduce frustration and help the expatriate plan realistic negotiation timelines.

Individualism-collectivism provides another lens for understanding management practices. Individualistic settings tend to place greater emphasis on personal autonomy and individual goals, while collectivist settings emphasise group membership and shared interests (Geert Hofstede). This may affect how feedback is given, how conflict is expressed and whether decisions are framed around individual or team consequences. If an expatriate ignores these expectations, communication may be technically clear yet still damage relationships.

In negotiation, collectivist orientations may place greater emphasis on relationships and group interests, while more individualistic orientations may place greater emphasis on personal authority or explicit individual outcomes (Geert Hofstede). The risk is not that one approach is inherently ineffective, but that parties interpret each other's priorities incorrectly. The expatriate should therefore identify who needs to be involved, whether relationship-building is expected before substantive bargaining and how agreements are normally communicated. This can prevent local staff from feeling that their concerns have been ignored.

Masculinity-femininity is another Hofstede dimension used to compare the relative emphasis placed on competition and achievement versus cooperation, quality of life and relationships (Geert Hofstede). These orientations may influence communication, reward practices and negotiation behaviour. A strongly competitive style may motivate some employees but discourage others who place greater value on collaboration and social support. For the case organisation, the value of this dimension is therefore diagnostic rather than prescriptive: managers can use it to consider whether their language, incentives and negotiating style fit local expectations, but should validate those assumptions through observation and discussion with host-country employees (Steers, Sanchez-Rude & Narvon 2010).

Overcoming Cultural Differences Issues

The analysis suggests that the firm's problems are not caused by cultural difference in isolation. Failure is more likely when differences in leadership, motivation, communication, decision making and negotiation are left unmanaged and when neither expatriates nor host-country employees are supported to adjust. Because the company is losing money through incomplete assignments, its response should address both staffing decisions and day-to-day management. The objective should be to create a reciprocal adjustment process in which expatriate managers learn the host context while local employees understand the manager's role and organisational expectations.

Selection and Organisational Support

Before assigning another expatriate, the HRM function should assess more than technical expertise. The case indicates that managers need cultural openness, adaptability, communication skills and willingness to learn from host-country colleagues. Selection should therefore consider whether the individual can work effectively with different expectations about authority, relationships and communication. The organisation should also clarify the purpose of the assignment, the manager's authority and the performance outcomes expected from both the expatriate and the local team. Continued contact with the parent organisation and opportunities for host-country feedback can help identify adjustment problems before they lead to early return. This approach treats expatriate success as a shared organisational responsibility rather than expecting the individual manager to adapt without support.

Cultural Competence

One of the most important actions is to develop cultural competence, or the ability to understand, communicate and interact effectively with people from different cultures (Deresky 2016). This involves awareness of one's own assumptions, a positive attitude toward difference and knowledge of alternative cultural practices. For expatriates, competence should translate into observable behaviour: asking rather than assuming, adapting communication, recognising different expectations of authority and seeking feedback from local employees. Host-country staff should also be included in cross-cultural preparation so that adjustment is mutual. This is particularly important in the case because resentment already exists; training only the expatriate would leave one side of the relationship unchanged.

Cultural Appreciation

Cultural appreciation complements competence by encouraging an earnest effort to learn about and respect another culture (Steers, Sanchez-Rude & Narvon 2010). For an expatriate manager, this means showing interest in local practices without treating employees as representatives of a stereotype. Respect for cultural and religious needs can strengthen relationships, but managers must also recognise differences within the same national culture. In the case, appreciation should therefore be demonstrated through listening, consultation and respectful adaptation rather than symbolic gestures alone.

Effective Communication

Effective communication should be deliberately structured because cultural differences can affect both what is said and how messages are interpreted (Steers, Sanchez-Rude & Narvon 2010). Open communication is especially important in the case because host-country employees are already dissatisfied. Managers should explain expectations clearly, invite questions and create regular opportunities for employees to raise concerns without assuming that silence means agreement. Meetings can be used to confirm responsibilities, clarify decisions and surface misunderstandings before they become conflict. The manager should also adapt the level of directness and formality where appropriate while maintaining clear organisational standards.

This combines cultural sensitivity with accountability rather than allowing either cultural difference or 'company practice' to become an excuse for ineffective communication.

Team Building

Team building is crucial because the case involves poor cooperation between expatriate managers and host-country employees. Activities that encourage employees to exchange perspectives can help teams understand different cultural expectations and build relationships (Steers, Sanchez-Rude & Narvon 2010). However, team building should not be limited to occasional social activities. High performance requires shared goals, clear roles, inclusive participation and regular discussion of how the team will communicate and make decisions. Activities should remain culturally sensitive and should avoid placing employees in situations that conflict with cultural or personal preferences.

Scheduling and Timing

Scheduling and timing also require cultural awareness because expectations about punctuality, deadlines and flexibility vary across contexts. Rather than assuming that one national approach is correct, the expatriate manager should establish clear operational expectations with the team and explain where deadlines are non-negotiable. Where flexibility is possible, local preferences can be accommodated. This balances cultural sensitivity with the need for reliable performance and reduces the risk that differences in time orientation become interpreted as disrespect or lack of commitment.

Leveraging Shared Values

The expatriate manager can also identify shared values as a basis for cooperation (Steers, Sanchez-Rude & Narvon 2010). Employees may differ in cultural expectations while still sharing goals such as professional achievement, service quality or team success. Making these common objectives explicit can reduce an excessive focus on difference and help establish a common organisational identity. Shared values should not be used to erase legitimate cultural differences; instead, they provide a platform from which the team can negotiate workable norms for communication, decision making and collaboration.

Appropriate Training

The parent organisation should provide targeted pre-departure and ongoing training. Cultural awareness training can help the expatriate understand likely differences in communication, leadership and workplace expectations, while practical scenarios can be used to rehearse how to respond to misunderstanding or conflict (Culture Awareness Training). Training should also include the host-country team because the case shows that adjustment problems exist on both sides. Early preparation can establish expectations before resentment develops, while follow-up training after arrival allows real workplace experiences to be discussed. The aim is not to teach a list of national stereotypes, but to develop cultural competence and flexible management behaviour that can be applied to specific situations.

Conducting Research

Finally, expatriate managers should research the host environment before and during the assignment. This should include cultural practices, organisational norms and relevant market conditions, but written research should be supplemented by direct learning from local colleagues. Early knowledge provides useful orientation; continued observation and feedback help the manager test whether general cultural assumptions actually apply in the subsidiary. This reduces the risk of treating cultural models as fixed rules and supports more informed adaptation.

Conclusion

Cultural differences can significantly affect the performance of an unprepared expatriate manager, but they do not make failure inevitable. The case is better understood as a failure of cross-cultural adjustment and international staffing in which leadership, motivation, communication, negotiation, decision making and team working have not been aligned with host-country expectations. The firm should therefore combine culturally informed selection, reciprocal cross-cultural training, clear role expectations, open communication, team development and continuing organisational support. Hofstede's dimensions and other cultural frameworks can help managers anticipate possible differences, but they should be used as guides rather than stereotypes. By treating adjustment as a two-way process and linking cultural awareness to concrete management practices, the HRM function can reduce costly early returns, rebuild relationships with host-country nationals and create stronger conditions for sustained high performance.

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