ABSTRACT

Communication within corporations is often a challenge, as the large size of firms and conflicting goals of individuals are manifested by miscommunications. This situation is exacerbated in multinational corporations (MNC's). This paper reviews the extant literature on intercultural communication within MNC's from a societal perspective, and furnishes propositions that will detail methods marketing managers can use to facilitate effective communication.

INTRODUCTION

The societal perspective of management theory holds that management methods are a product of the society in which they were developed. An objectivistic orientation toward communication, it also holds that communication can also be altered by cultural factors, inhibiting effective transmission of messages. The subject discussed in this paper does not refer to problems that arise from the use of different languages--for instance, Japan and English being used in the same firm. Instead, the focus of this paper are the cultural differences impacting the communications process between managers of the same multinational firm.

Among the subjects addressed in this paper are the general characteristics of multinational corporations, managerial attitudes, rewards, training, and models of intercultural communication. In addition, the particular problems of organizational communication between individuals of Japanese and U.S. extraction will be studied, with a view towards fostering more effective communication. Finally, some testable propositions for fostering communication in different cultures will be offered.

Culture and its Impact on Communication

Hofstede (1983) provides four dimensions of national culture (that culture shared by individuals of the same nation): individualism vs. collectivism, power distance, uncertainty avoidance, and masculinity vs. femininity (Hofstede 1983). Individualism vs. collectivism concerns the degree to which a particular culture is group-oriented. Power distance is the degree to which people are unequal. Uncertainty avoidance is a measure of the locus of control held by the people of a culture. Masculinity vs. femininity refers to the degree that clearly defined sex roles exist in a society. These four constructs are rich and multidimensional in nature. For the cultures of Japan and the United States, Japan would rank higher in collectivism, uncertainty avoidance, and masculinity vs. femininity, while the U.S. has a greater differential between the powerful and less powerful, and would rank
higher in measures of power distance. Hofstede (1983) uses these measures to compile scores for fifty different nations. Hofstede later expanded his conception of national culture, adding an additional dimension.

An example of some of the typical cross-cultural research in the management literature is provided by Lawrence and Yeh (1994). These researchers examined the impact of Mexican culture on Japanese management techniques, by studying Japanese management practices in Mexican maquiladoras (foreign-owned manufacturing plants). Mexican culture was found to generate conflict between Mexican workers and Japanese managers, even though both cultures exhibit a group-oriented culture. In particular, lower-level Mexican managers do not respond well to such participative decision-making techniques as management by consensus and quality circles. A rigid hierarchy exists in Mexican society, and people there do not feel comfortable having discussions with bosses in which they try to solve common problems.

MNC Organizational Network Structures

A thorough study of U.S. and Japanese manufacturing plants conducted by Lincoln, Hanada and McBride (1986) reveals significant differences in certain organizational structural characteristics. These structural characteristics in turn will affect the degree and types of organizational communication. Some of the important differences include taller management hierarchies, greater centralization, and less specialization in Japanese factories.

These results are not consistent with generally held beliefs about Japanese manufacturing organization. Taller hierarchies will necessitate longer communications channels, with a correspondingly higher probability of receivers misunderstanding a message. Greater centralization is probably a result of the Japanese tendency toward collectiveness, while less specialization is attributed toward the Japanese business practice of lifetime employment, requiring a greater ability to switch jobs within firms. Employees are expected to be more of a generalist. This could mean that communication will be enhanced, due to a more general frame of reference on the part of employees. Japanese managers are said to be required to negotiate rather than direct (Lincoln, Hanada, & McBride 1986). These researchers posit that "Japan is perhaps the perfect test case for an investigation of societal effects" (Lincoln, Hanada, & McBride 1986, p. 361), because it can easily be compared to the U.S. This is true because the cultures of Japan and the U.S. are so different.

Lincoln, Olson, and Hanada (1980) found similar results. The percentage of employees from different cultures directly affects the type of organizational structure employed. Functional specialization varies inversely with the size of the Japanese cultural presence. Therefore, the degree to which firms are culturally homogenous most likely affects the level and type of communication, because culture is a variable in the organizational communication mix.

Kelley and Worthley (1981) also study the role of culture in comparative management. Controlling for political, economic, and educational variables, these researchers rank-ordered Japanese, Japanese-American, and American managers on fifteen statements that describe management techniques. It was