CHAPTER 4
ANALYSIS OF THE CAUSES OF CROSS-CULTURAL CONFLICTS IN X COMPANY

X company’s cross-cultural conflict involves a lot of incidents, reflected on different levels. From the source of the conflict, there are two main conditions for the conflict: Employees within the company recognize the existence of corporate culture differences and feel that the differences impact their original value system and behavior model; the other is the degree of understanding and tolerance of the employees themselves, resulting in a certain intensity of adverse emotion and emotional response. In case 1, Vice-President B holds Western values, and the understanding of the plan at the Suzhou factory meeting is different from that of the Chinese side. The understanding of interpersonal relationships is different from the importance of interpersonal relationships in China. China is a high-context country, and because of the different context, he cannot fully understand the real meaning of Chinese speaking. In case 2, there are differences in work and time values between Mr. Wu and Mr. N. Mr. N is a Bangladeshi who does not seek punctuality in time values and lacks seriousness in his work. There is also a big difference in context. Mr. N’s words “I don’t have to explain to you” seriously hurt manager Wu’s dignity. As regards the power structure, manager Wu tends to be hierarchical and different from Mr. N’s democratic power structure culture in terms of cross-cultural values, collectivism culture and individualism culture. The power structure of democracy and hierarchy is different from Hofstede’s (1984) theory of cultural latitude. The difference between high and low context is studied from the perspective of Hall’s theory of high- and low-context culture. From the existing cases and the theory of cross-cultural management, it is concluded that there are four reasons for the cross-cultural conflict, namely: the difference in cross-cultural values, the difference in collectivism culture and individualism culture, and the difference in democratic and hierarchical power structure. Different context.

*Figure 1 X company’s cross-cultural conflict.*
4.1 Differences in cross-cultural values

The differences in traditional habits, behaviors, ideas and attitudes caused by differences in values are one of the root causes of cross-cultural conflicts and one of the difficulties encountered in cross-cultural management. Values refer to a person’s overall evaluation and general opinion of the significance and importance of the objective things (people, events, things) around him.

In case 1 Mr. B, the company’s deputy general manager, accepted the education of the values of Western culture, and he paid attention to the spirit of contracts and rules. Before he came to China, he was full of confidence. According to him, this problem should be resolved smoothly. The starting point for his question was the contractual terms of the order, and the factory had to be responsible for the quality and delivery of the product. When he communicated with Mr. Ren of the Chinese factory, he also seized on the rules, but the person in charge of the factory was unwilling to argue too much with him. He did not understand that Chinese values are maintenance-oriented, and Chinese people do not want to be with you. Controversy, more consideration is face problem. Chinese people hold long-term values and emphasize social relations. He will think that the relationship is good and the problem can be solved.

In case 2, Mr. N, a Bangladeshi employee, fails to give acceptable explanations without having finished his work on time. Bengal culture is a combination of Muslim, Indian and Western civilization. Bangladesh gained its independence from Pakistan in 1971. Pakistan was under British colonial rule with India and was deeply influenced by Western culture. But Bangladesh is geographically located in South Asia, and influenced by Indian culture. From the perspective of Bangladeshi culture’s values of time, this is how they work. They think that there is no problem, in contrast to the understanding of work in Chinese culture.

4.2 Differences between individualism and collectivism

People from individualistic cultures see themselves as independent individuals. They dare
to ask various questions and are full of personality and independence, and are willing to take corresponding responsibility for their actions. They attach great importance to privacy, focus on personal living space and are not willing to be disturbed by others. People with this cultural tendency in a company are concerned about doing things rather than relationships. When they communicate, they need objective data, facts and the entire work plan. Otherwise it is impossible to obtain their consent and support. Their communication is very logical and orderly, requiring direct and very clear information exchange. They are very strict about time management and are not willing to interfere with other people’s time.

A collectivism culture emphasizes the sense of collective existence. Individuals are only members of a collective. With collective power, we can effectively guarantee the survival of individuals. There are not many requirements for personal privacy, and personal space is very limited. Parents of family members do not think it is normal to walk into a child’s room without having to knock on the door. Some parents think that their children are self-born, that they should educate themselves. Sometimes it is normal for them to beat children. In companies, people with a collectivist cultural tendency pay attention to interpersonal relationships and social relations. Relatively speaking, information is relatively vague. The collectivist will first understand information from one side, cultivate good relations and then tackle the topics to be discussed. The collectivist culture emphasizes the principle of the minority being subordinate to the majority. As long as the number of voters meets the prescribed requirements, it is considered reasonable and legal.

In case 1, Mr. B, deputy head of X company, is an obvious individualist cultural man, who is partly concerned with himself. When a problem is found in the workshop, he will ask a lot of questions in accordance with his way of working. He needs quality reports, objective data and, more importantly, concrete plans based on them.

In case 1, Mr. Ren of Suzhou factory is conservative and prudent, afraid to take risks and afraid of failure. It is not difficult to understand why the factory began to ask for an extension of 45 days. China tends to be collectivist, and employees are highly dependent on the company. Most of the work is done by groups. The Chinese lack the courage to challenge and innovate, and do not emphasize personal heroism.

In case 2, Mr. N says that there is more individualism than collectivism. Most of the ways of expressing are individualistic. Dealing with problems has its own personality and lacks consideration of collective needs. However, he does not have the courage to assume responsibility, at least in terms of communication needs. In fact, everyone can forgive him for his mistakes and understands that everyone can make mistakes.

4.3 Hierarchical and democratic

Hierarchical culture refers to the view of rights that tends to have a strict structure of rights between people. This kind of culture pays attention to the harmony between people and to face and dignity. In this cultural enterprise, communication is from top to bottom, and decisions are
made by superiors. In some enterprises that pay more attention to the level, you can initially see the different positions according to the position of the desk, the size of the office and the decoration. When communicating with others, the title of the other party is respected. Most employees of the Shanghai and Bangladesh branches tend to favor this kind of cultural structure. They value the relationships between people. Case 1 also reflects the wisdom of Chinese employees when dealing with specific issues. They generally do not clash with the factory from the front and understand Chinese people’s needs. They conduct survey data from the workshop and use actual data to analyze the results of deducing things. They understand the importance of working together among colleagues.

Democratic culture refers to the equality between people. In such an enterprise, the position is different from the task and the division of work. Communication tends to be bottom-up, and employees dare to express their opinions. Information is shared equally among employees, and everyone can see the company’s operation and financial data. It’s also normal to call someone by their first name. In case 1, Vice-President B constantly argued with Mr. Ren in the factory, and he thought this was a way to discuss and solve problems with the other side. If the object of communication does not have the same cultural values, then it really can’t solve problems effectively.

4.4 High-context culture and low-context culture

High-context culture communication within the society places great emphasis on the context of communication. Implicit information is an important feature of this, and the person to be communicated with needs to understand the true intention of the speaker himself. Sometimes it is necessary to use nonverbal information, the other person’s mood, expressions, gestures and the place of communication. They still think it’s important to cultivate relationships. High-context culture requires companies to be loyal to their employees. The company is like a big family. Employees are like members of a big family. The growth of a family requires everyone to work together. Some individuals have ordinary abilities, but they are very loyal to the company. These people are generally not fired. Instead, they can work in important departments. People in this context believe more in intuition and do not go too far to pursue objective facts. Indirect communication in daily communication is like roundabout reasoning.

The context of low-context culture is clear and simple. People with a low situational cultural tendency emphasize language communication, look at the simplicity of work, and make it clear that people and things are separate. Personal work is more active and personal. They communicate directly, like being frank and straight, and won’t beat around the bush.

A culture-based situation approach (Ting-Toomey & Oetzel, 2001) theorizes that managers are likely to have high self-face concerns given their status and power, whereas employees are likely to have high other-face and self-face concerns, which are necessary for maintaining their job and position. The managers’ high self-face concern results in a preference for “forcing with an occasional collaborating” style. In contrast, the high self- and other-face
concerns of employees result in “avoiding and accommodating” for a good relationship with the boss. They offer a model based on cultural dimensions of individual collectivism and power distance (Hofstede, 1981) with four approaches to conflict. A status-achievement approach is seen in cultures of individualism and large power distance. Managers would be concerned with maintaining and recognizing one’s status and expect the subordinates to accommodate the manager’s wishes, while subordinates view authoritative managers as using power from the top by giving solutions and perceive avoiding conflict as managers being weak. A benevolent approach describes collectivist and large power distance cultures, where managers would consider personal relationships, thereby trying to smooth over the conflict and maintain harmony in the workplace, while subordinates would need to anticipate the needs and wishes of their superiors and expect managers to serve as “protectors” or mentors of their career paths. An impartial approach is associated with individualist and small power distance cultures. Managers would tend to deal with the conflict in a direct, upfront manner, while subordinates directly articulate their concerns and bring the problem to the manager’s attention. A communal approach is seen in cultures of collectivism and small power distance. Mindful of communal goals during conflict, managers would resist using power to resolve conflict, while subordinates are open and expressive, working together to develop mutually acceptable decisions. This culture-specific model is also built with reference to manager-subordinate conflicts in the same culture.

Specifically, for the Chinese, Hwang (1997) conceptualizes “harmony” as an axis branching out into two wings of guanxi (interrelation) and mientze (face) for a model of three-category interpersonal networks as the conflict context: vertical in-group, horizontal in-group and horizontal out-group. The model depicts the intertwining of personal and professional relationship in a Chinese society and suggests that when a subordinate is in conflict with his superior, in a vertical relationship, he or she has to protect the superior’s face by maintaining personal harmony. As such, the dominant response may be endurance, i.e. accommodating. When a superior insists on the attainment of a personal goal, disregarding feelings of subordinates in a vertical relationship, subordinates may also react to oppose the superior, i.e. challenging. When this happens, their relationship may come to a severance.

In case 1, the company, B, is always a Bangladeshi. He will collect some factory background information and do some investigation and analysis. He also understands the background of the factory’s responsible person. In the process of work, he will also understand the causes and background of some problems. This is the same as the working methods of Chinese employees. The communication on the subject matter is more direct and the information is clearly transmitted. The high-context environment in China is higher than that of Europe and Bangladesh. The Orientals like the “Taijiquan” communication, and what is usually said is not true. Mr. Ren does not speak directly and simply, and the B vice-president cannot understand the meaning of Chinese speaking.

In case 2, Mr. N’s remark “there is no need to explain” aroused great dissatisfaction from the Chinese manager Wu. He felt that Mr. N did not respect him, and the atmosphere of the meeting embarrassed him. But Mr. N’s understanding was relatively simple, saying that there
was nothing else to say about the idea at the time.

Comprehensive examples of the cross-cultural theories in the three cases and the second chapter summarize the reasons for the cross-cultural conflicts formed by the X company, i.e. there are four kinds of cultural differences within the enterprise: differences in cross-cultural values, differences in individualism and collectivism, differences in hierarchical culture and democratic culture, and differences in high-context culture society and low-context culture society. If the company’s management recognizes the objective reasons for the formation of cross-cultural conflicts, then in their daily work they will be able to analyze conflict events and help to propose a reasonable solution to the conflict. Chapter 5 focuses on this.

Furthermore, from the perspective of the cultural quality of employees of X company, it is believed that we need to improve in three aspects: cultural respect, cultural tolerance and cultural trust. It is not easy to achieve these three points, but we must improve the learning level of individuals and organizations and find effective ways to solve conflicts in practice.