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**A CRITICAL ANALYSIS OF CROSS-CULTURAL MANAGEMENT IN MULTINATIONAL PROJECT GROUPS AND ISSUES ON LEADERS' CULTURAL GAP-BRIDGING BEHAVIOURS**

**DEGREE: MSc Digital Marketing**

**Module: Cross-Cultural Management**

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| **Learner declaration** |
| I certify that the work submitted for this assignment is my own and research sources are fully acknowledged.  Student signature: Date: |

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# Introduction

Workers from diverse cultural backgrounds are present within multinational organisations functioning in multiple countries. Cultural differences between workers such as beliefs, language differences and attitude differences result in diverse types of issues within a multicultural organisation. Apart from this, issues such as discrimination and reduced employee engagement are also common in diverse workplaces. Leadership of these organisations play a crucial role in developing solutions for these issues to maintain functionality of multinational organisations. Impacts of cultural differences within an organisation along with possible solutions for mitigating issues faced by employees have been highlighted in this assignment. Cultural differences present between the United Kingdom and China have been taken into consideration for exploring the degree of cultural differences.

# Impact of National Cultures on Cross-Cultural Project Teams

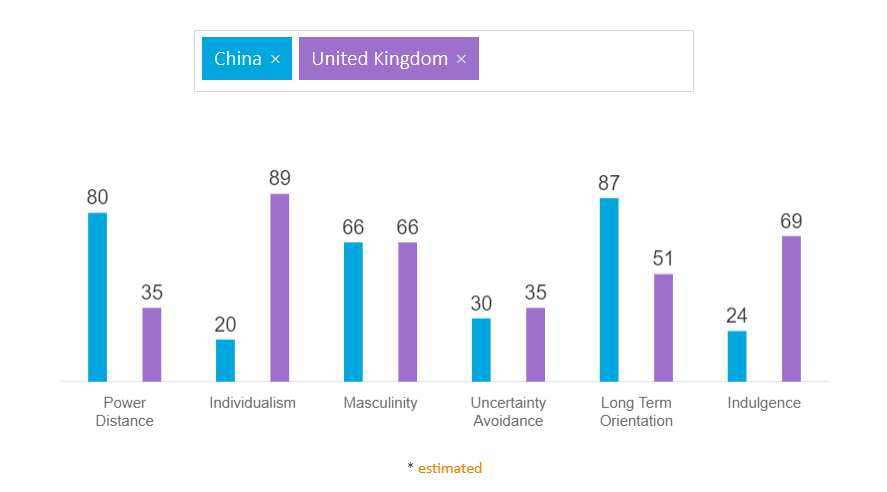
Culture is a broad concept which signifies the beliefs, attitudes and behaviour of a group of people belonging to a specific country or region. Cultural theories are applied for identifying relationships between people, their actions, institutions and their environment. Cultural theories such as ***functionalism***, ***symbolic interactionism*** as well as ***conflict theory*** are applied to cultural studies (Soltanpour*et al.* 2019). Application of these theories enables leaders of cross-cultural teams to identify cultural differences among team members, which is important for cross-cultural management. Multinational organisations comprise workers from diverse cultural backgrounds due to their operations in multiple countries. Differences in languages spoken, beliefs and attitudes result in significant issues which prevent these workers from working collaboratively (Liu *et al.* 2021). Apart from this, the way of working and technical knowledge also varies based on the cultural differences of workers in multinational organisations.

Cross-cultural management is significant for the management of cross-cultural project teams. According to cross-cultural management, differences in cultures as well as practices of employees are taken into consideration (Lyan, 2021). Along with this, the preferences of consumers are also taken into consideration within a global business context. On the contrary, there are various issues faced by leaders of cross-cultural teams that reduce the productivity of cross-cultural teams. These issues include issues such as time differences, language barriers and differences in practices (Denysiuk and Melman, 2022). However, there are several benefits of including people from multiple cultures within an organisation. These benefits include improved knowledge sharing, enhanced capability of innovation and increased understanding of customers from different countries.

Involvement of members from diverse cultural backgrounds also results in significant benefits to a multinational organisation. Cross-cultural teams also aid in attracting skilled employees from diverse cultural backgrounds, improving brand reputation, developing a competitive edge and enhancing employee engagement (Henman, 2023). Leaders of multinational organisations are responsible for solving issues faced by their cross-cultural team members. Strategies employed by these leaders include acknowledgement of cultural differences, the establishment of team norms, identification of roles and responsibilities, overcommunication and building trust (Henman, 2023). These strategies aid in improving collaboration among members of a cross-cultural project team for obtaining the benefits of cross-cultural work. Digital technologies such as Google Meet are also playing a crucial role in aiding leaders of cross-cultural teams in improving communication among employees situated in remote locations.

# Cultural Analysis of the United Kingdom and China

## Hofstede’s Cultural Dimensions

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**Figure 1: Country Comparison of United Kingdom and China**

(Source: hofstede-insights.com, 2023)

***Power Distance***

Different individuals within a society possess diverse characteristics and significant differences are present among them. The power Distance (PDI) dimension of Hofstede's analysis is associated with defining the acceptance of individuals within a country towards the distribution of power in an organisation. China has ranked 80 in this dimension which is significantly high and signifies that people living in China accept inequalities in power distribution within an organisation (hofstede-insights.com, 2023). In this type of country, subordinates are obliged to abide by orders provided by their superiors. Any kind of resistance is not witnessed against power abuse among individuals in China by organisational superiors.

Countries having a lower rank in the PDI dimension believe that inequalities in power within an organisation are required to be removed. UK has ranked 35 in PDI and it signifies that people living in UK support equality in distribution of power within an organisation (hofstede-insights.com, 2023). Strong resistance can be seen within countries similar to UK against abuse of power by superiors within an organisation. It has been identified through research that higher classes of UK are more lenient towards the belief of equality in power distribution compared to the working class of this country (hofstede-insights.com, 2023). This also signifies differences in opinions among diverse socio-economic groups of people living within a country.

***Individualism***

The individualism dimension of Hofstede's analysis analyses the interdependence present among people living within a country. Two different types of societies are defined according to this dimension which includes Individualist society and Collectivist society. In the case of individualist societies, people tend to consider the well-being of only themselves and their families (hofstede-insights.com, 2023). On the contrary, in collectivist countries, people tend to live in groups and take care of each other and the value paid for this care is their loyalty to each other. Countries having higher scores in the individualism dimension possess individualist societies and countries with lower scores possess collectivist societies.

China has ranked 20 in the dimension of individualism, which is significantly low and signifies the prevalence of a collectivist society in this country. People tend to work towards providing benefits to a group rather than working for themselves (hofstede-insights.com, 2023). Promotions and recruitment within an organisation are significantly impacted by ingroup factors such as preferences given to family members. Employees in China show increased collaboration with their group members, however, they are significantly hostile to members of other groups. UK has ranked 89 in individualism which signifies that an individualist society prevails in UK. There are only a few countries such as Australia and USA that are more individualist compared to UK (hofstede-insights.com, 2023). People within organisations only consider their own interests in this country rather than acting towards the benefit of their groups.

***Masculinity***

Countries scoring high in the Masculinity dimension are considered to be masculine in nature and countries scoring low are considered to be feminine in nature. Masculine countries are driven by achievements and competition among individuals. Preferences are given towards the best performer within a specific field. On the other hand, in feminine countries individuals act in the best interests of each other as well as having a high quality of life is preferred (hofstede-insights.com, 2023). The issue of concern for this dimension is either defining motivations for becoming best (masculine countries) or working towards fulfilling one's own preferences (feminine countries). The rank of both UK and China is 66 for this masculinity dimension which signifies individuals living in these countries are masculine in nature (hofstede-insights.com, 2023). A significant level of competition is prevalent among individuals working in organisations in both these countries. Identification of the contributions of employees is done by measuring the success of their performance.

***Uncertainty Avoidance***

The uncertainty avoidance (UAI) dimension signifies the thinking of individuals towards avoidance of uncertainties that lies in future. Countries having a high rank in this dimension tend to pose a belief that they should analyse uncertainties of the future and work towards solving them (hofstede-insights.com, 2023). However, countries with lower ranks in this dimension believe that uncertainties of the future cannot be avoided and do not put the effort into avoiding them. The rank of China and UK in UAI are respectively 30 and 35, which signifies that both these countries do not consider acting towards avoiding uncertainties (hofstede-insights.com, 2023). Individuals working in organisations tend to set goals to achieve, however, the plan of action is not well defined by them in these countries. People living in both these countries are comfortable working in ambiguous situations.

***Long Term Orientation***

Long-term orientation dimension analysis priorities of a society being either towards existing norms of society or adapting to new societal norms to make preparations for the future. Countries with lower scores tend to pose a culture of maintaining societal traditions and suspect changes occurring in society. On the other hand, countries having a higher score in this dimension tend to welcome change in their society for welcoming the future. China has scored 87 in this dimension which defines its culture to be pragmatic in nature (hofstede-insights.com, 2023). Truth is believed to be dependent on a situation, time as well as the context of society by the people of China. However, UK has secured a score of 51 in this dimension which disables opportunities for the identification of their cultural norms.

***Indulgence***

The indulgence dimension is associated with analysing the extent to which individuals living in a country put effort into having control over their desires. UK has scored 69 in this dimension which signifies people living in UK are indulgent and presence of willingness among them to fulfil their desires. China scored only 24 in indulgence, which signifies the tendency of people living in China to be pessimistic (hofstede-insights.com, 2023). People do not put much effort into fulfilling their desires in such countries with lower indulgence scores.

## Application of CAGE Framework

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| **Distance Factors** | **Country 1 (China)** | **Country 2 (UK)** |
| ***Cultural (C)*** | * Inequality in power distribution accepted * Collectivist society * Masculine Society * Lower preparedness for uncertainty in future * Changes in social norms are encouraged | * Equal distribution of power is encouraged * Individualist society * Masculine Society * Comfortable to ambiguous situations * Existing social norms are preferred |
| ***Administrative (A)*** | * Republic * Political Stability Index Score -0.48 (theglobaleconomy.com, 2023b) | * Parliamentary * Political Stability Index Score 0.54 (theglobaleconomy.com, 2023a) |
| ***Geographic (G)*** | * Area covered 3.7 million square miles (countryreports.org, 2023b) | * Total area of land mass 94,217 square miles (countryreports.org, 2023) |
| ***Economic (E)*** | * There are 23 provinces within China (unicef.cn, 2023) | * UK consists of three countries along with one province (nationsonline.org, 2023) |

**Table 1: CAGE Framework analysis of China and UK**

(Source: Created by Author)

# Issues faced by leaders in multinational teams for bridging cultural gaps and improving engagement of subordinates

## Differences in communication styles

Significant number of differences can be witnessed among people belonging to different cultural backgrounds as well as from a single culture. However, in the case of multicultural teams, the main difference in methods of communication of team members lies in the languages used by them (pbs.org, 2023). Apart from this, differences in communication also have been identified to be within types of non-verbal communication used by individuals belonging to different cultures. Non-verbal communications include a wide extent of aspects such as facial expressions, seating arrangements, gestures, sense of punctuality and personal distance. Along with these, differences in assertive attitudes can also result in misunderstanding among members of cross-cultural teams (Stahl and Maznevski, 2021). These differences in communication style led to difficulties faced by leaders of cross-cultural teams in reducing cultural gaps and enhancing employee engagement.

## Diverse attitudes for conflicts

Perspectives towards conflicts vary among individuals belonging to different cultural backgrounds. While in some cultures individuals are encouraged to confront conflicts, in other cultures conflicts are strictly avoided (Inegbedion *et al.* 2020). For instance, individuals living in USA are motivated to solve conflicts by attaining them while people in Eastern countries view conflicts to be embarrassing. This type of difference in attitudes towards conflict results in different views of members of a cross-cultural team towards solving conflicts. Leaders of these teams are required to identify differences in the attitude of members towards conflicts and solve conflicts occurring within such teams.

## Differences towards attitudes for fulfilling task requirements

Attitudes of individuals working in a team towards completion of tasks vary based on their cultural differences. Factors such as resource availability as well as perspectives towards rewards tend to impact the attitudes of individuals towards the completion of tasks. Differences in notions for the importance of time, as well as perspectives towards building relationships, also impact task completion in a cross-cultural team (Juliati, 2021). For instance, individuals belonging to Asian culture focus on developing relationships with team members during the initial phase of a project. These individuals tend to shift their focus to task completion at end of the project. On the contrary, individuals of European origin tend to focus on task completion from the very beginning of a project and develop relationships while working on it (pbs.org, 2023). Leaders of cross-cultural team face issues of synchronisation among their team members due to differences in their attitudes.

## Diverse types of decision-making style

People belonging to different cultural backgrounds possess diverse types of decision-making behaviours. People belonging to USA tend to be associated with delegating decision-making procedures for specific job roles of employees (pbs.org, 2023). Apart from this, the agreement of a majority of a group is also considered to be a mode of decision-making. On the other hand, decisions are made by people living in Japan based on the values of consensus where a general agreement is required before making a decision (pbs.org, 2023). This type of difference in decision-making behaviour can be difficult to handle for leaders of cross-cultural teams. Differences in the decision-making abilities of workers can lead towards inefficiency or conflicts of opinion during the formulation of a decision.

## Differences in disclosure behaviour

Perspectives towards disclosure vary significantly among people belonging to different cultural backgrounds. People of specific cultures are readily lenient towards disclosing certain information such as their emotions or reasons for a conflict (Chang *et al.* 2020). People belonging to other cultures might not be comfortable sharing such personal information with others. Leaders of cross-cultural teams often face issues of employee dissatisfaction due to differences in disclosure attitude.

## Differences in ways of gaining awareness

There is a significant difference present between ways in which people gain awareness about different things. For instance, individuals belonging to European culture tend to consider means such as counting as well as measuring to be more appropriate for gaining awareness about something. Contrary to this, people belonging to Asian culture tend to emphasise the validity of knowledge acquired by moving towards transcendence (pbs.org, 2023). These differences result in difficulties for leaders of cross-cultural teams in deciding ways in which awareness can be developed about something.

# Solutions of issues faced by leaders in multinational organisations

## Acknowledgement of differences in cultural backgrounds

Considerations for diversity in cultural backgrounds of members of a cross-cultural team is very important. Leaders being inconsiderate about cultural differences within a cross-cultural team might not gain access to insights about their employees. This can result in poor decision-making and reduced productivity of teams (Henman, 2023). Based on identified cultural differences leaders are required to select necessary methods of communication and maintain an environment of respect among team members. This would aid them in improving the engagement of team members and addressing gaps in cultural differences. Application of tools such as Hofstede’s cultural dimensions can be crucial for the identification of differences among members of a cross-cultural team (Huang and Crotts, 2019). Based on the six dimensions of this framework, the characteristics of each member of the team can be identified by gathering information about their country.

## Establishment of group norms

Development of group norms can be crucial for maintaining an environment of collaboration within a cross-cultural team. Based on the findings of cultural characteristics of team members norms of groups consisting of multicultural members are required to be developed. Apart from this, members are required to be included in the procedure of formulation of norms for these teams (Henman, 2023). This would aid in improving belongingness of team members to cross-cultural teams. However, the efficiency of these norms is required to be analysed on a regular interval for identifying any necessary changes that are required to be implemented in-group norms. This is essential for encouraging team members to express their issues and improve their engagement with the objectives of the group.

## Outlining roles and responsibilities according to team members

There are diverse types of job roles required to be performed within a cross-cultural team based on the functionality of a cross-cultural project. Goals of the project are required to be shared among every employee to lead them towards the fulfilment of these goals. Achieving these goals becomes easier by breaking them into smaller goals based on the skills and attitudes of employees (Valiūnienė *et al.* 2022). Apart from this, assigning job roles suitable to employees also motivates them to work better towards the fulfilment of their specific job roles. This also aids leaders of cross-cultural teams in determining contributions made by each team member which is crucial for analysing their performance.

## Over Communicating

Assumptions about an equal level of understanding are suitable for teams having members from a single cultural background. However, in the case of a team having members from diverse cultural groups, ways of understanding can vary significantly. Leaders of cross-cultural teams can overcommunicate with their team members to make sure that they analyse issues faced by team members in understanding something and address it (Chen, 2019). This would improve the efficiency of fulfilling instructions provided by leaders of these teams. Apart from this, overcommunication with team members would also aid in reducing the gap of awareness among them. This is essential for providing equal working opportunities to each member of a cross-cultural team.

# Conclusion

Cross-cultural teams consist of people belonging to diverse countries and having diversified characteristics such as beliefs and languages. Project success depends on collaboration among members of a project and their motivations towards the successful completion of a project. However, issues such as communication gaps and conflicts of opinion are common within cross-cultural groups. Leaders of such groups face difficulties in addressing issues faced by their group members in a diverse team. This assignment has included discussions about tools such as Hofstede’s cultural dimensions with examples. This can be crucial for the identification of cultural differences among group members within a diversified team.

Apart from this, potential issues faced by leaders of such teams have been identified. This can be crucial for making preparations to mitigate issues faced in cross-cultural teams. Mitigating techniques mentioned in this assignment such as overcommunication can be important for improving collaboration within a cross-cultural team. Contrary to the difficulties of cross-cultural teams, the benefits of these teams have also been included in discussions of this assignment. These identified benefits such an enhanced image of an organisation can be crucial for motivating the formation of cross-cultural teams.

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