Features Of International Management

Introduction

This essay will draw on the few different characteristics of convergence and divergence debate to discuss whether the world is moving towards a more monoculture world, where people would share similar values and ways of thinking. Firstly, this essay will look at what it means when a culture has been more monocultural. Secondly, this essay will highlight how multinational organisations are using the convergence theory to be more globalised around the world, and how it influences the international management approaches. Multinational organisations constantly face a challenge on how to balance the pressure to globally standardize strategies across the organisation and the need to be responsive to local culture (Edwards & Kuruvilla, 2005). Lastly, this essay will discuss how Hall's high and low context theory, and Hofstede's high and low power distance theory to explain differences in communication between countries.

Body

How convergence is influencing international management approaches in multinational organisations

Culture is the product if a variety of more or less harmonious activities, and it is the one thing that cannot be purposely aimed at (Eliot, 1949). It is no surprise that the world now is gradually changing to be more monocultural, this is because businesses from different countries are scaling upon their geographic reach. Managers seek employees with greater cultural intelligence and employees with more knowledge of different cultures, as well as employees who are able to apply technical knowledge and skills which is called technical proficiency rather than people who are just smart. (Nakata, 2009) Consumers are also travelling all around the world, migrating to other countries and surfing on the internet that has a lot of content about other cultures. This would automatically lead them to be more educated about other cultures (Nakata, 2009). "One aspect of globalization is the convergence of income, media, and technology" (de Mooij & Hofstede, 2002). It is generally expected that this convergence would have led to a more similar consumer needs, values like for goods and services, or even management styles all around the world. An example would be there is a stereotypical type of how a teenager should be, as there are channels, internet and better global communication, and teenagers now possess similar values, no matter which country they are originally from (de Mooij & Hofstede, 2002). Globalisation, industrialization, and the advanced of technology would shape the culture and economic systems to be more similar (Smelser, 1961). The impact of culture in companies was not well understood in the past. Organisations used to ignore the cultural influence and it has led companies taking a hit on their profits as it declined profusely. Companies used to focus more on their operations and marketing part, and this led to many large multinational organisations to have their profits decrease because when organisations focus more on centralising control rather than adapting to cultural changes and influence, it has no local sensitivity. (de Mooij & Hofstede, 2002).

Convergence is the tendency of organisations adopting similar practices of successful management styles, and this shows that companies' cultures, technologies, operating styles

are becoming more and more alike all around the world. Convergence is usually influenced by the improved global communication, technology, travel, alliance between companies and nations, and multinational companies (Rhodes, Walsh & Lok, 2008). The convergence hypothesis side on the argument that the basic requirement of management disregards the significance of cultural differences (Mcgaughey & Cieri, 1999).

Convergence suggests that the common denominator of business theories are driving similar thoughts and values so that the diverse thoughts and beliefs that have been planted into people in different countries are going to converge to a common set of beliefs based on cross national business and the current globalisation that is going on. Employees having similar work values and beliefs to guide business activities, interactions are aimed by numerous multinational companies that want to be truly global organisations. This is because it would help the organisation to be more similar in terms of cultures, and this affects the management style. If managers beliefs that relate to the importance of leadership capabilities or skills are similar universally across the world, this supports the concept and theory of convergence. It is said that culture may avert convergence, but the consistency in the use and mobilization of resources will gradually lead to the convergence of managerial. (Gentry & Sparks, 2011)

How the divergence theory contrasts the convergence theory

Divergence is when a culture is becoming more dissimilar. (McGaughey and De Cieri, 1999) There is another divergence theory which is the opposite of the convergence theory. It could be said that people from all around the world may continue to be diverse and have culture-based values despite the globalisation and the growing economic and social similarities. The divergence theory suggests that differences amongst societies are a result from narrow sets of values). This may be because people have grown up with their culture implanted in them, and it might be difficult to change that even with advanced technology and globalisation (Khilji, 2002). According to Hofstede, organizations are usually bounded by culture, and there is no such thing as a universal answer to the problems that organizations and management face, since the problem with cultural approaches is that they emphasise too much on the history and people's perceptions (Rowley & Benson, 2002).

In contrast, the divergence theory argues back that the local culture drives beliefs more than the commonality based on multinational businesses and globalisation, and this means that the views of organisations will remain unchanged by the spread of business and globalisation. (Gentry & Sparks, 2011). The theory of divergence argues that employees are more likely to have a range of different attitudes and behaviours. Employees are often bounded by culture, and they may have different preferences in workplaces. For example, promotion is based on seniority in countries like Japan. This results to western management practices to require new adjustments in the culture and techniques when implemented in other cultures (Rhodes, Walsh & Lok, 2008). Ralston et al. (1997) claims that the change in values and beliefs to be more convergent could take up to several decades, or even generations. It takes time for people, and organisations to change. This is why it is considered possible that managers' beliefs on their leadership skills and management styles needed for the success in their organisations will differ based on their culture, and country of origin. Therefore, management and leadership competencies would differ based on the culture of the manager (Gentry & Sparks, 2011).

Moreover, there are some theories evident that claims that competition is a type of mechanism

of homogenization, assuming that the pressure from competition would lead to organisations to be more institutionally convergence. Competition pushes firms from different countries to specialise on their own specialty, and to have niches for themselves (Beckert, 2010).

Why the world is moving to a more monocultural world

Culture could be defined as “the way of life of the group of people” (Foster,1962). Culture supplies the skillset and knowledge that are necessary to meet sustenance needs. (Miroshnik, 2002). Technology plays a big factor in convergence as technology is becoming more and more advanced, products are also becoming more convergent. However, not all consumers are accepting these convergent products. Some consumers may feel that technology is changing too rapidly and quickly are not very confident about making adequate decisions (Jeong & Lee, 2015). Technology convergence combine technologies of different application areas, and industry convergence use different technology bases to unite companies (Curran & Leker, 2011). An example of how technology drives convergence is the electronics industry, different industries come to share similar technological bases. Computers, telecommunications and electronics has been so great that they merged into one unique sector. (Gambardella & Torrisi, 1998)

Also, it is clear why it is important for and organisation to change, and why it is necessary. It is a major challenge to change the organisation to be more monocultural. It is extremely important for an organization to have a clear determination of where they are along the path, from exclusive, monocultural to an inclusive organization to have an effective culture change strategy. There is a myth of monocultural advantage as monocultural groups are seen as ideal for productivity. They may be appropriate for solving a problem when it is narrow and requires specialisation from different cultures. However, many complex problems today arise from different aspects. Monocultural values are said to be discouraging to people from suggesting change, or questioning their actions based on culture. Overtime, monocultural teams may find it hard to fit in today’s high expectations for performance standards because they are possibly lacking in creativity and the ability to change and adapt when necessary to achieve continual improvements for the organisation (Miller, 1998).

Explaining differences in communication and negotiation practices between countries

Different countries obviously have different types and style of communicating, and one theory that could explain that difference is Hall’s high context and low context theory. High context is when the sender uses very minimal information in the transmitted message, usually because people from high context are afraid of embarrassing the receiver, while low context cultures uses more explicit gestures (Kittler, Rygl & Mackinnon, 2011). Another theory is Hofstede’s power distance theory. High power distance is when less powerful members expect power to be distributed unequally and wait to be told what to do, whilst low power distance has more horizontal chain of command (Rinne, Steel & Fairweather, 2011). Using these theories, managers are able to understand that different people come from different cultures and they should try to adapt to their workers or consumers’ culture to achieve success in business deals.

Conclusion

In conclusion, convergence and divergence both coexist in organisations, especially multinational companies. (Rhodes, Walsh & Lok, 2008). While some argue that organisations are becoming more convergent because of technology, travel, and globalisation. These factors shape the world to be more monocultural. However, it is also argued that people come from different cultures, and that culture is very hard and takes a long time to change, since they have been implanted on individuals since the beginning. So, organisations may stay divergent. One recommendation would be, organisations should adapt to culture, especially dealing with other businesses globally, it has been proven that when companies ignore culture and refuse to adapt, profits may fail profusely (de Mooij & Hofstede, 2002). Another recommendation would be organisations, even if they are more divergent since employees are usually culturally bounded, they should still take advantage of technology and globalisation to be more convergent, because the world is constantly changing, and people are having more and more similar needs. The third recommendation would be to use the Hall or Hofstede's theory to adapt to other cultures, to try and understand that people come from different cultures, to achieve a better management style and workspace for employees, and this may also help explain differences in communication in different countries.

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