

CONSIDERATIONS ON INTERCULTURAL ASPECTS OF INTERNATIONAL MANAGEMENT

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Abstract: The intercultural approach is a defining feature of the theory and practice of international management. International management is outlined as a distinct component of management science. Approaches to international management are nuanced, diversified.

This paper presents a series of considerations on the intercultural approach of international management that can be considered intercultural management from at least two points of view because it refers to relationships that are established between different countries and therefore between different cultural spaces and takes into account interactions of organizations that have different values and behaviors.

Keywords: intercultural management, international management, organizational culture, cultural space, organizations

Conceptual delimitation of international management

International management has emerged as a distinct component of management science. International management approaches are nuanced, diversified.

The definitions of this term require the following conceptual delimitation to be emphasized:

1. Global management - a notion that is, as a rule, the management of multinational society;
2. Comparative Management - studies the processes and managerial relationships in organizations that operate in cultural contexts, different nations.
3. Intercultural Management - has produced abundant literature in recent years, especially in the North American and British, and is concerned with studying the relationships that exist between different communities compared and addressed in their specific contexts. So, this kind of management is the management that acts in a complex, heterogeneous cultural environment.
4. International Management - This type of management represents the management of organizations involved in international affairs, in activities and transactions that take place across the borders of two or more states.

International management represents the management of the company's activities on an international scale and has the role of maintaining the company in a dynamic state of equilibrium within the global environment.

International management is an intercultural management from at least two points of view:

- refers to relations that are established between different countries, thus, between different cultural spaces;
- Considers interactions between organizations (company, clients, competitors, etc.) that have different values and behaviors.

The intercultural approach is a defining feature of the theory and practice of international management.

International business management and business management at the national level resemble the fact that in both cases the aim is to achieve the economic objectives of the organization through

rational coordination and efficient use of resources. They differ due to the different contexts, in which they are realized, the cultural diversity of the participants in the transactions, as well as the different managerial concepts and practices.

The development of international management is a reflection of the process of internationalization of economic life, which imposed as the environment of existence and functioning of the company the global market, the global economic space. This process was accomplished both by intensifying the internationalization - at regional level (economic integration) or worldwide (increase of international trade, foreign investments, development of financial and foreign exchange relations) - as well as by its enlargement, the expansion of economic relations and increasing interdependencies between commercial flows, Investment and financial-foreign exchange on a global scale.

In conclusion, international management can be considered a form of intercultural management (to the extent that the reference framework is the national cultural environment), as well as a form of global management (when the company becomes multinational).

Integration of cultural features into the company's international management

The world of organizations and managers has grown dramatically over the last decade. Suppliers, beneficiaries, competitors and staff, all move easily from one country to another.

Managers and customers of an increasing number of organizations - be they commercial or non-profit - are hit by this international reality in their strategic or tactical thinking as well as in their daily work. In parallel with the expansion of the international economic environment, there has been a continuous revolution in communications technology, which has allowed rapid contact between individuals or geographically dispersed groups.

Negotiation of contracts takes place in real time between groups located on different continents. Multinational organizations can monitor the performance of their foreign affiliates more closely, with the possibility of correcting deficiencies more quickly.

These continued changes have led to the emergence of new problems that organizations have been able to solve.

Knowing the variety of thinking structures facilitates mutual understanding between individuals involved in carrying out activities that go beyond the boundaries of a country or the boundaries of a culture.

The basic idea to be presented in the context of international relations is not that of multinational executives who are sent to foreign countries, but it is about managers or, increasingly, employees from the lower levels of organizations that have to operate in a context Multicultural, wherever they might be.

Managerial intercultural competences are made up of the synergy of individual competences, social competences, professional competences and strategic competencies (fig.1).

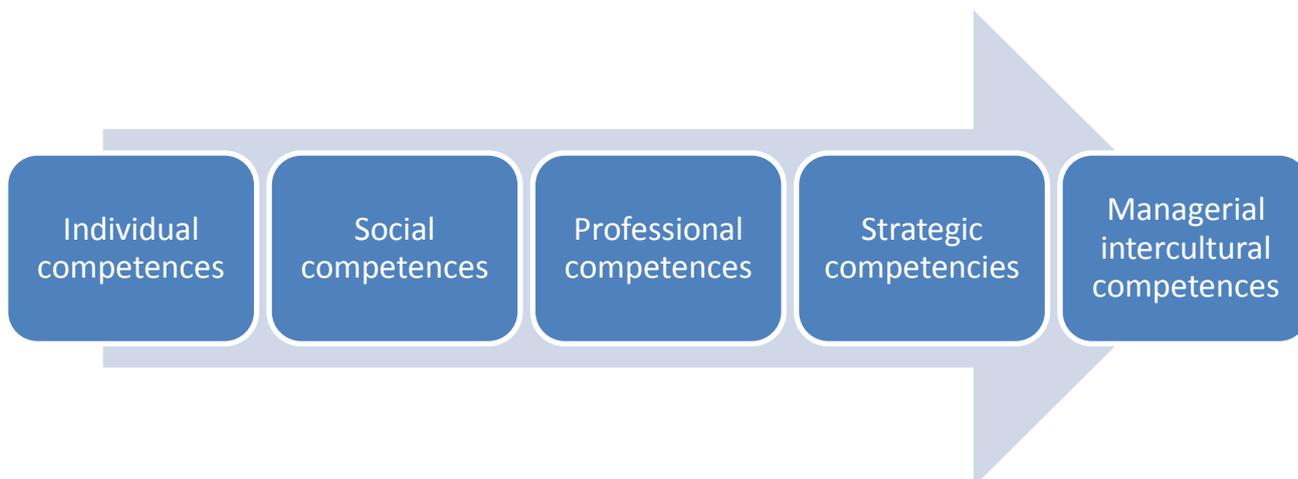


Fig. 1 Synergy of competences

Source: Adapted from Bolten, J., *The international entrepreneurial dynamics of accelerated internationalization*. Journal of International Business Studies, 2007

The benefits of multiculturalism are:

- Cost reduction - The low degree of integration of minorities (local staff) leads to dissatisfaction with work and absenteeism, which translates into higher costs
- Procurement of resources - Firms with a good reputation in terms of intercultural relations are more easily attracted to local human resources and can provide more qualified staff
- Advantages in marketing - The existence of multicultural staff allows the firm to understand local prices and to adopt appropriate marketing strategies
- Organizational flexibility - In order to accommodate cultural diversity, companies adopt more organizational policies and procedures

Characteristics of Cultural Values

Increasing international activity implies new demands for those involved in transcultural action. They have to deal with issues such as the interpretation of the actions and attitudes of individuals or organizations operating in a context different from the one they have become accustomed to. They also have to negotiate with groups that have not only goals different from theirs, but also different ways of reaching these goals, alongside different expectations with the behavior of the dialogue partner. The growing diversity of the organizational world coupled with the rhythm of environmental change brings new requirements and problems to the members of the organization, and they are often not prepared to cope with the situation properly.

The national culture includes a set of relatively diffuse orientations emerging as primary values at the beginning of life within the family and other social mechanisms that have been operating since the beginning of childhood.

Although there are specific values that can be set at the organizational level, however, in this case the cultural dimension is based here on work practices in the organization, especially through social processes that act later in the individual's life.

The culture of a company can directly affect international management practices by:

- *Centralization / decentralization of decisions*: In some organizations, all important decisions are taken by top managers, and others are actively involved by middle and low-level managers. Intercultural managers are confronted with an essential problem: up to what point should foreign rules be subject to rules and procedures that may lead to divergences? Where can they decentralize, so let each culture follow its own path? Certain business cultures can

allow decentralization more easily than others. Delegation should be done for decentralization.

- *Safety / risk*: Some managers have big problems with uncertainty conditions, they have to measure the risk; For others, risk-taking is encouraged, and making decisions under uncertainty is something ordinary.
- *Individual / group reward*: Employees doing special work are rewarded individually (bonuses and commissions) in other countries, but cultural norms require rewarding groups;
- *Formal / informal procedures*: in some countries formal procedures are followed rigidly, while others do not;
- *High / low organizational loyalty*: In some societies, people are strongly identified with their organization or their patron, others identify with their job;
- *Cooperation / competition*: Some organizations encourage competition among employees, others cooperation;
- *Short / long term vision*: Some enterprises focus on short-term goals (profit, efficiency), others are more interested in long-term goals (market share, technological development);
- *Stability / Innovation*: A country's culture encourages stability and resilience to change; others put value on innovation and change.

Conclusion

The evolution of international organizations has been made in response to global market pressures. In this context, the centrist vision was replaced by the demand for international integration. From here it can be concluded that it is opportune to understand how both managers and other employees in the company manage to operate in a multicultural context.

The world of organizations and managers has grown dramatically over the last decade. Suppliers, beneficiaries, competitors and staff, all move easily from one country to another. Managers and customers of an increasing number of organizations - be they commercial or non-profit - are hit by this international reality in their strategic or tactical thinking as well as in their day-to-day work. In parallel with the expansion of the international economic environment, there has been a continuous revolution in communications technology, which has allowed rapid contact between individuals or geographically dispersed groups.

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