

UNIVERSITY OF KWAZULU-NATAL

**Leading and Managing Diversity in a Cross-Cultural
Workforce in Chinese Investment Organisations in
KwaZulu-Natal**

By

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DECLARATION

I Yu Zheng declare that

- (i) The research reported in this dissertation/thesis, except where otherwise indicated, is my original research.
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- (iii) This dissertation/thesis does not contain other persons' data, pictures, graphs or other information, unless specifically acknowledged as being sourced from other persons.
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ABSTRACT

At present we are living in a global market economy. As a result, international business and cooperation between two or more countries is a growing phenomenon. Global business managers and leaders are challenged to broaden their minds to create new methods of leading and managing what has become an increasingly diverse and cross-cultural workforce. This workforce will bring with it both advantages and disadvantages to global organisations. In general, the global leaders and managers will face the challenge of how to cope with workers from diverse cultures, whilst at the same time respecting the needs of workers from their own culture. There is also the problem of dealing not only with the workforce, but also with partners, competitors and customers from diverse cultural backgrounds. In global organisations the biggest challenge is how to effectively organize, lead, manage and monitor diversity in a cross-cultural workforce. More and more leaders and top managers are becoming aware of the importance of learning about various cultures, different languages, cross-cultural communication and negotiation skills in a global context.

The global business environment influences the development of Chinese businesses; more and more Chinese companies are exploring foreign markets, and in recent years many Chinese investment organisations have invested in and are thriving in the South African market. Most of these are operating in the clothing or textile companies. Starting up a business in a foreign country is a difficult task for any manager or leader. They face many barriers including having to cope with different languages and with differences in culture, politics and social environments. This is especially true of the situation in South Africa, as South Africa is a richly multi-cultural country with many cultures and subcultures that observe different religions, that use different languages and that display different habits. This study will investigate how Chinese managers and leaders can be led to a better understanding of these differences so that they can formulate new organisational cultures that maximize their companies' success in a global environment.

In these case studies the sample selected will be the Chinese clothing and textile industries in KwaZulu-Natal (KZN). Although the leaders and managers of Chinese investment organisations in KZN have attempted to increase their awareness of the local management

culture and have tried to learn more about local political, social and economic structures, they still have not placed sufficient emphasis on language training and cross-cultural knowledge acquisition. Despite the fact that they already have basic language, communication and negotiation skills with which to deal in some measure with a cross-cultural workforce, this study shows that Chinese managers and leaders have to further improve their understanding and their communication skills.

CONTENTS

DECLARATION	iii
ACKNOWLEDGEMENTS	iv
ABSTRACT	v
CONTENTS	vii
CHAPTER 1: INTRODUCTION	1
1.1 Introduction	1
1.2 Background to the research	2
1.3 Problem statement	4
1.4 Cross-cultural management in the global environment	6
1.5 Purpose and value of the study	8
1.6 Research methodology	9
1.6.1 Data collection	9
1.6.2 Sampling design	10
1.7 Limitation of the study	10
1.8 Research structure	10
CHAPTER 2: LITERATURE REVIEW	11
2.1 Introduction	11
2.2 Culture	11
2.3 Cross-culture	21
2.4 Cultural intelligence	25
2.5 Leading and managing cross-cultural factors and diversity in the workforce	28
2.6 Organisational culture	42
2.6.1 Diversity in the workforce of an organisation	47
2.6.2 Systems thinking	51

2.6.3 Organisational learning	52
2.7 Cross-cultural communication	55
2.8 Chinese culture and Chinese business culture	63
2.8.1 Chinese culture and business culture	63
2.8.2 Chinese management	71
2.9 South African social and business culture	73
2.10 Conclusion	76
CHAPTER 3: RESEARCH METHODOLOGY	78
3.1 Introduction	78
3.2 The design of the research	78
3.3 Case study and questionnaire design	80
3.4 Population and sampling	81
3.5 Data collection	83
CHAPTER 4: DATA ANALYSIS AND FINDINGS	84
4.1 Introduction	84
4.2 Frequency distribution	84
4.3 Correspondence analysis	90
CHAPTER 5: CONCLUSION	108
REFERENCE	113
APPENDIX 1: MANAGERS' QUESTIONNAIRE	123
APPENDIX 2: WORKERS' QUESTIONNAIRE (IMIBUAO YABASEBENZI)	128
APPENDIX 3: ETHICAL CLEARANCE	133

CHAPTER 1: INTRODUCTION

1.1 Introduction

In the 21st century, the global economy is developing so fast that increases in the volume of international trade and cooperation now required between countries has resulted in the world becoming a global village.

There are some institutions which are created for global business, dealing with global issues, such as the World Trade Organisation, the United Nations, the World Bank, and the General Agreement on Tariffs and Trade. Every country created these institutions by their voluntary agreement (Hill, 2006). Many nations and organisations in the world are increasingly interdependent and interlinked. More and more countries are building trade relationships between two or more countries. International business will bring some advantages to the global market economy. It will improve economic competitiveness and create more job opportunities for countries that are involved in the global business system. This will also create more cooperative relationships between countries. International business conditions require a changing workforce. The global economic environment requires a workforce today that is very different from that which existed in the past. Today's workers no longer stay permanently in one organisation or in one country. No company can prevent or restrict its workers to leave and find another job when they finish their contracts. The workforce is no longer dominated by white males; the talent and wisdom are created by people from a different array of backgrounds and life experiences. The characteristics of the current workforce include mobility, fluidity and diversity. From a broad perspective, the essential problems facing the global social environment are how to respect the needs of workers from different foreign cultures, whilst at the same time respecting the needs of the workers from the local cultures. There is now a necessity to increase cross-culture communication, and to deal with the relationships with integrity, observing harmonious multiculturalism.

Nowadays, organisations are becoming more competitive in pursuing commercial

opportunities around the world to increase their international market share. The biggest challenge facing global organisations and companies is how to effectively organise, lead, manage and monitor diversity in cross-cultural workforces, especially in multinational organisations and global companies.

The priority problem facing international leaders and managers is how to broaden their perspectives in order to avoid making major mistakes; mistakes produced by the lack of knowledge of international business negotiation protocols. Because of poor communication skills, misconceptions and misunderstandings arise in the global management and leadership. Lack of sufficient knowledge and skills in dealing with customers, suppliers, workers, and alliance partners in foreign cultures is also problematic (Hough et al., 2003). More and more leaders and top managers are becoming aware of the importance of learning about various cultures, different languages and cross-cultural communication and negotiation skills. Some managers and leaders in some organisations have gained the benefit of studying abroad, or have gained overseas work experience, special cultural training or language learning. People from different countries or different areas associated with different cultural groupings and backgrounds will have different attitudes, perspectives, and behaviours in the work place or organisation. In today's work environment, people have more opportunities to work with people from other nations and other cultures than ever before. International business managers and leaders know the importance of cultural and ethnic differences as this helps them effectively to predict, plan, organise, manage, evaluate, and control their international operations and relationships (Hough et al., 2003).

1.2 Background to the research

This study will research Chinese business conduct in South Africa by way of case studies. For this reason, knowing and understanding South African culture is very important for this study.

South Africa is a typical example of a cross-cultural, multi-cultural and multi- ethnic society comprising various cultures and subcultures with a diversity of languages, religions and

different beliefs. Ethnically Black Africans make up 79.4% of the population, Whites 9.1%, Coloureds 8.9%, Indians and Asians 2.6%. There are 11 official languages in South Africa: English, Afrikaans, Ndebele, Zulu, Xhosa, Sepedi, Tswana, Sesotho, Swati, Venda, and Tsonga (Statistics South Africa, 2011). This is the reason why South Africa is called the 'Rainbow Nation'. The fact that ethnicities with different cultures can live together in relative harmony creates a huge potential for business investment. It has a developed and advanced market infrastructure and an open policy to foreign investment. From a political perspective it is reasonably stable and there is a rich source of labour. In recently years, foreign companies doing business in South Africa have increased in numbers; especially when it comes to Chinese companies.

According to Tjonneland (2006: 22), "China and South Africa have emerged as strong strategic partners since the establishment of diplomatic relations in 1998. South Africa is China's biggest trade partner in Africa. China has invested USD 180 million in 80 projects in South Africa." There are about 100 thousands Chinese people in South Africa; the biggest number of Chinese people in Africa. According to Gelb (2005: 201) "Between 1990 and 1997, Chinese investment in Africa amounted to about US \$20 million, but from 1998 to 2002 that increased six-fold to \$120 million. The report indicates that there are 450 Chinese-owned investment projects in Africa, of which 46 percent are in manufacturing, 40 percent in service and only 9 percent in resource-related industries". Since 1994, China has formed a trade relationship with South Africa, and since then many Chinese people have started conducting business or investing in companies in South Africa. More and more South African workers are working in Chinese-owned businesses and factories. South Africa has business partners and cooperative relationships with China. According to Liu (2005) "In 2004, bilateral trade volume nearly surpassed the US \$ 6 million, an increase of 52% over the previous year. China's export to and import from South Africa grew 45.5% and 60.9% respectively. As for investment, the total volume of two-way investment between China and South Africa is now well above US \$500 million. There is not only reciprocal cooperation between two countries, but also vast potential waiting to be further tapped."

Of the various kinds of business, the ones that are most popular with the Chinese are to be found in the clothing and textile companies in South Africa. Vlok (2006: 228) explains that in 2004, the total sales from the clothing and textile industries was 34 billion Rand in South Africa; R17.4 billion was generated from textiles and R16.6 billion from clothing industries, both of them bringing a big contribution to the total manufacturing output. In South Africa, most of the textile and clothing companies have between 20-200 workers, forming small or medium-sized companies. From official employment statistics, in March 2005, textiles and clothing industries employed about 143,000 people, who comprise 12% of total manufacturing employment. Many foreign investor or multi-nationals owned most of the individual companies.

The clothing and textile industries have a big market share in South Africa; they generate about 3.6% of the national GDP and contribute 2.2% to output sales. In the national manufacturing aspect, they have a 14.5% employment rate. On average they employ one in five individuals in this sector (Palmi, 2007).

With the increase of cooperation around trade between China and South Africa, many Chinese enterprises are booming in South African markets. Most of them are, as has been pointed out, in the textile company and clothing company, which brings a breath of fresh air and vast competitiveness to the market.

1.3 Problem statement

Today's managers and leaders in the global business environment encounter an environment that is dynamic and unpredictable. It involves a diverse and cross-cultural workforce that raises the likelihood of cultural conflicts. Misunderstanding between individuals and groups from different cultures will lead to inefficiency in management if there is a lack of knowledge of the nature of the diversity between cultures that underpins the conflicts. This can lead to the kind of serious misunderstanding in communication that can inhibit the development and the productivity of an organisation. All of this will result in higher absenteeism, turnover,

dissatisfaction and passive performance. An authoritarian management style will result in high absenteeism of workers if managers are authoritarians with inflexible management ways, have poor listening and communication skills and have the tendency to shift the responsibility and blame onto others; this cannot guide followers to achieve the expected goals.

In today's global economy, people from different cultural backgrounds, language groups and religions will bring to the working environment different attitudes, values, worldviews, perspectives and behaviours. These different views represent a conflict potential between two or more different culture groups. Champoux (2003: 29) indicates “The challenge for managers and leaders is to focus those different views on the mission of the organisation while managing conflict to keep it at a functional level and bring the competitiveness opportunities to organisations.” Managers and leaders in organisations avoid prejudice; they give people from all cultural backgrounds a fair opportunity to be recruited, to be promoted, to achieve self-development, and to gain satisfaction from their work experience. It is also necessary to create a chance for workers to improve their self-learning with ongoing interactions with the organisation. In this way they will be encouraged and motivated to identify with the organisation's goals.

More and more Chinese people are doing business in South Africa, but the research into management and leadership in the context of a diverse and cross-cultural workforce is scarce. Operating a business in South Africa and understanding its culture presents practical and intellectual challenges. The people in Chinese companies which operating in South Africa understand South African business concepts, cultures, politics and society. Chinese managers and leaders will confront many difficult issues and these frame the critical questions of this study. These questions include:

- How effectively can Chinese business manager and leaders solve the conflicts generated by the presence of different cultures in the same workforce?
- How successfully can Chinese business managers and leaders are trained to communicate with the various individuals and groups from different cultures that exist within the South

African workforce?

- How can Chinese business managers and leaders become meaningfully involved in the South African market and social environment?

1.4 Cross-cultural management in the global environment

Due to the technological development in transportation and telecommunications that shrinks the notional distance between countries, and increases international business investments in a global market, cultures in different countries are becoming similar and national economics is being subsumed within the global system. Thomas and Inkson (2004) indicate that there are some factors that are taken into account with accelerated globalisation, such as: the increase of global business, the growth of international companies, multiple structures of an organisation, state enterprises tending towards privatisation, improving the ability to execute and control economies flowing to the free market, increase of international migration, and the improvement of communication and information technology to transcend time and distance. Today, globalisation creates new markets and wealth. Communication, computer and transportation technology changes at a fast rate, and the world is more disorderly and uncertain than ever. Thus, every country increase co-operation and create close working relationships all over the world to meet the changes of world market. There is an increase in global financial flow and all of this accelerates the contact and interdependence between the countries. Globalisation is a process of transferring local or regional phenomena into international environment; it is a process which organises people from different backgrounds into a single society, combining many factors such as the political, economic, technological, social and cultural. National economics can change to international economics through foreign investment, international business, capital flows, migration and the spread of technology. Due to the globalized business environment, many domestic businesses have changed to international businesses.

The business field has expanded and this has created more profits. Many organisations have changed their business range and scope to satisfy international demands. Cullen and

Parboteeah (2005) define a multinational company as any company that is involved in business beyond its domestic borders, which includes both small and large businesses. Most of the larger multinational businesses are public corporations and the smaller multinational companies are owned by individuals. In the globalisation of businesses and multinational organisations, the most important factors are: the nation's culture; business culture; organisation's culture; and the workforce cultures. Multinational organisations and companies manage production, workers, customers and services in more than one country. Multinational companies will influence both local economic structures and world economics. They also influence international trade relationships and globalization. In multinational and global organisations, culture plays an important role in international business communication, negotiation and cooperative relationship creation. Every country has its own culture and some sub-cultures from history and heritage. Cultural differences exist in any country and therefore these are likely to exist within organisations that operate within national boundaries. Cultural differences include different ways of thinking, speaking, dressing and expressing views and emotions. LeBaron (2003) suggests that culture will influence people's value of self and others, perceptions, attributions, and judgments. It is unconscious and powerful, and it influences conflict and the way to solve the problems. He summaries two essential factors of culture: culture changes all the time, and is related to a symbolic dimension of life. These dimensions will help people determine their social identities and their sense of individual purpose. Culture gives people a sense of belonging. According to Hough et al. (2003) cultural differences exist between countries, and even between regions in the same country. People in all cultures exhibit culturally ingrained responses to given situations. Champoux (2003) presents a similar view, which is that people have different worldviews and attitudes from different social, cultural and language backgrounds.

Gomez (2002: 30) states that "people can understand their society, community, from their culture. Culture is a useful tool to understand why people behave as they do in an organisation; culture guides people's behaviour in organisations or social groups in which they are involved. Culture creates an ordered, stable social space in which learning and the pursuit of knowledge flourishes, thus creating opportunities for humans to expand their creativity" . Mead (2005: 8)

states that “culture is formed by groups of people and includes systems of values, such as world values, family values, life values and worth values, which are transferred from the previous generation to the next generation, making culture a learning process for social groups” . When there are different cultural contexts in the organisation, cross-cultural management is obviously necessary, and managers and leaders are trained to handle such situations.

According to Clutterbuck and Ragins (2002) diversity exists in most organisations, especially multinational organisations. It increases along with the rise of the global economic market. The diversity of workers involves differences in age, gender, sexual orientation, ethnicity, religion, in social and culture experience.

Champoux (2003) comments that many organisations adapt to make major changes to managing diversity workforces; these changes include changing personnel policies involving working schedules and personal leave and improving basic skills and language training. In the global economic environment, managers and leaders become culturally intelligent. Thomas and Inkson (2004) mention that cultural intelligence is having the skill to understand a culture, learning this culture through ongoing interactions with it, and improving their interpersonal skills and reshaping their ability to display appropriate behaviours to others who have different cultural backgrounds, thus making them more sympathetic to the other culture. The managers and leaders in global businesses confront the environment in more complicated, dynamic, uncertain and competitive ways than before. In this situation the managers and leaders, as has continuously been stated, need more training in the acquisition of the understanding of cultural diversity and what this implies for management and leadership

1.5 Purpose and value of the study

This research offers practical cross-culture management and leadership suggestions for Chinese international companies in South Africa. It hopes to provide some cultural background and ways of improving communication skills which will help Chinese managers and leaders

who are working in South Africa to increase their organisations' competitive capability, and also to help them to understand South Africa's social and business cultures.

This study will explore the importance of learning ways to manage diversity in the multi-cultural workforce in Chinese-managed organisations' in KwaZulu-Natal, and how to achieve effective leadership of these workforces toward the organisation's goals. All of this will be needed to equip Chinese managers and leaders in KwaZulu-Natal with the tools to tackle the complex environment of the 21st century.

This research will hopefully help managers and leaders gain cross-cultural knowledge, which will enhance the prospect of success in a competitive global business and multinational environment. It will also serve to remind future researchers in this field not to neglect an understanding of their own cultures in the interaction with the cultures of the country where they conduct trade or investment. It is important that managers know how to blend their own culture in the across-cultural situation.

1.6 Research methodology

This research will use both quantitative and qualitative approaches to research. The combination of quantitative and qualitative research methods in these case studies will help researcher more easily understand complex problems. The case studies are based on real life, and they will help the researcher to identify and analyse cultural questions, measure problems and find results. The cases provide their unique information about the organisations, organisational culture, and communication and management styles. There are some questions that need detailed consideration and further research into particular situations is needed.

1.6.1 Data collection

Interviews, observation and questionnaires are common methods of data collection. In this survey, questionnaires, including managers' and workers' questionnaires, will be used to collect data from various sources. Questionnaires are useful way to collect data, when the

researcher knows the purpose of the questionnaire, and how to analyse the results.

1.6.2 Sampling design

The target population of this research is all the textile and clothing organisations in KwaZulu-Natal (KZN). According to the Freight Transport data bank, the textiles and clothing industry is well established in South Africa. The industry includes about 300 manufacturers, based mainly in KZN, the Western Cape, the Eastern Cape, and Gauteng. There are approximately 525 clothing firms in KZN, 416 of which are based in Durban, Pinetown, Inanda and Chatsworth. So, KZN is one of the biggest areas of the population of the study. Due, however, to limited resources of time and budget, the research could not cover the complete target population. So, a sampling process was necessary. Most Chinese or Taiwanese companies are located in Ladysmith and Mandini. The samples of this research were one textile company in Ladysmith and one clothing company in the Mandini.

1.7 Limitation of the study

This study could not cover the all the companies in the total population. In addition, some companies regard their information as 'trade secrets'. Most of the Chinese companies in KZN are small or medium-sized, and they are mainly clothing companies and textile companies. So this study concentrates, by way of case studies, on one Chinese clothing company and one textile company in KwaZulu-Natal.

1.8 Research structure

This research will be presented in five chapters:

Chapter 1: Introduction

Chapter 2: Literature Review

Chapter 3: Research design and methodology

Chapter 4: Analysis and findings

Chapter 5: Recommendations and conclusions

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This chapter will describe how culture and cross-culture are conceptualized; what cultural dimensions are; what cultural intelligence is; the important views about leading and managing diversity and cross-cultural workforces; how to learn the capabilities of cross-cultural communication; and the important influence of global managers and leaders. There will be a discussion of the cultural differences between South Africa and China with a focus on organisational and business cultural differences, such as etiquette and behaviour in the business situation in China and South Africa.

In a competitive globally economic environment, business and investment activities of many companies and organisations are increasing across countries. Under these kinds of circumstances, culture becomes a critical element to influence the business and organisation's success, especially in international and multinational businesses or organisations. It is the basic element of an organisation's performance, productivity, profit and procedure, and the fundamentals of business operations in a global environment. Understanding personal culture is also an initial factor to effectively lead and manage a cross-cultural workforce in a global environment. Personal culture affects one's perspectives of the world, and how one thinks and behaves. In this research, an exploration and understanding of culture will act as a lens to understanding individual, organisational and business culture. Personal culture influences workers' knowledge, values, skills and behaviour, so cultural apprehension is very important for understanding the consciousness of all facets of a society, including the individual and business organisation. It is therefore worthwhile to interrogate definitions of culture that will help in understanding the meaning and essential factors of culture.

2.2 Culture

There are many definitions of culture, but culture is a complex concept. Knowing and

understanding one's culture is very important for analysing people's views, behaviour, standards, values and beliefs. Ignoring cultural differences and misunderstanding personal culture will cause mismanagement of the cross-cultural workforce, and generate major conflict through an inability to motivate and through lost opportunities to explore the potential for international business and marketing. The cultural characteristics are based on culture, cross cultural concept, and value and belief theory. McGuire et al. (2002) explain that culture can be expressed through shared values and beliefs in specific situations, especially in evolutionary and dynamic structures of culture.

Culture is not just expressed by a set of surface behaviours, but as phenomena that are deeply embedded in the minds of all members of that specific culture. This makes itself manifest in mannerisms, the ways of speaking to others, and the way of dressing (Thomas and Inkson 2004). People summarise the different cultural characteristics as they are learned from previous generations that deeply influence behaviour. Culture is systematic and organised; it is largely invisible and it may be rigidly or flexibly applied. According to Harris et al. (2000: 4), "culture is a distinctly human capacity for adapting to circumstances and transmitting this coping skill and knowledge to subsequent generations. Culture gives people a sense of what they are, culture impacts an individual's behaviour, morale, standards, and productivity at work." Harris et al. (2000) also list some advantages of learning about culture: cultural knowledge and skills enable managers and leaders to identify human behaviour and values, which will help them analyse the work culture in global environment; it improves organisational loyalty and performance; cultural training will connect workers more closely to managers, generating a desire within them to follow the company's rules more obediently and have greater support and commitment to the job and company.

Culture has two functions that affect global management. Firstly, culture is the guideline of a group's interactions. The cultural system allows workers effectively to interact with each other, without questioning each other's actions. Culture provides scripts for behaviour, so people know how to express themselves acceptably in conflict situations and this helps to solve conflicts. Secondly, people can identify the culture through the cultural source. Culture is the

factor of creating co-partnerships between multiple culture workforces (Distefano and Maznevski, 2003). Hoecklin (1995) comments that when doing business in the world environment or across cultures, culture is not considered as an obstacle; it will bring tangible benefits to competitive environment. This research will mainly study the cultural differences between China and South Africa, and mainly concentrate on their organisational cultures and business cultures, such as how they behave in the work place, how they communicate with others, how they solve problems, and their value of a dynamic environment.

There are some important factors of culture, which influence people's behaviour and perceptions of world. According to Daft (2003), cultural factors – including people's language, values, system of education and social environment influence international leadership. The study will give a deeper description of language, values and beliefs.

Every country has one or several languages - such as in South Africa, - where there are eleven official languages - and some are more complex than others. These are tools of communication formed through many generations that play a part in the success and failure of communication with others.

Value is a fundamental concept within a culture, so the differences between different cultures are explored by values. Ford et al. (2005: 36) mention that “values influence attitudes, attitudes affect behaviour, and behaviour in turn has an impact on culture thereby forming a reinforcing or self-adjusting, circular phenomenon. Values are beliefs that describe preferences and suggest choices between appropriate and inappropriate behaviour.”

Mead (2005: 11) supports this explanation of cultural values, where values will determine the rules of behaviour. Other theorists like Fan (2000) and Deresky (2006) also concur, showing that homogeneity of cultural values tends to display in the group or organisation as more consistence, cooperation, satisfaction and commitment. Where there is the contrary, more conflict, ambiguity and disagreement will be evident, which will have an effect on clear and effective communication (Fujimoto et al., 2007).

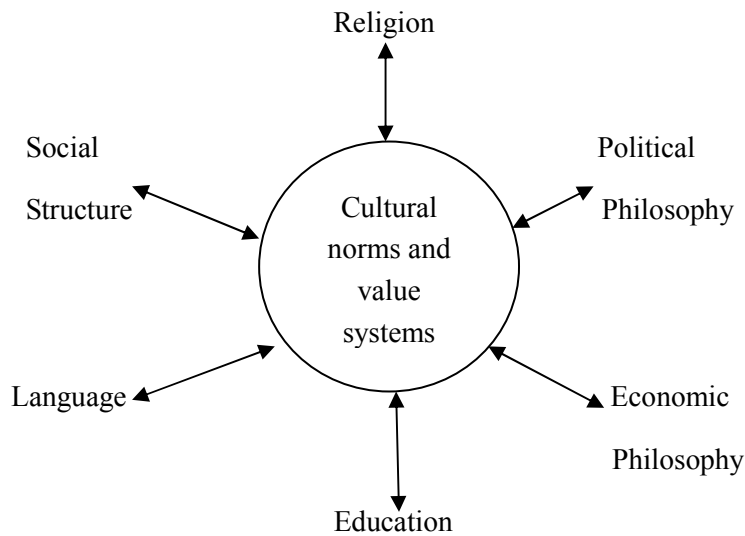
However, research also shows that heterogeneity in the workplace can be a great asset. Mcleod and Lobel (1992, cited by Fujimoto and Hartel, 2006:12) observe that multi-cultural workplaces, where different value systems co-exist “can develop more creative and better alternatives in problem solving” than do similar members from a similar group. People’s prejudice towards dissimilarity is the main barrier in values diversity; rather than the actual creative problem-solving that can arise in such contexts.

The basic purpose of Values Driven Management (VDM) is to motivate managers and workers, when contemplating making decisions or taking actions, to consider the impact of these decisions and actions on the value of the organisation over time (Cavico and Mujtaba, 2004). This determination can be accomplished only by an examination of the sets of values held by the relevant constituents (or "stakeholder" groups) of the organisation.

Values include personal values and organisational values. Personal values are formed from an early age, influenced by family and background. Personal values are also connected with the environment, and will change in different contexts. Different ethical attitudes and moral standards are influenced by different values and different understandings of personal behaviour that are derived through their values.

Understanding people’s values will help managers and leaders realize their personal behaviours, perceptions and motivations, and also help identify the elements of these factors in different social environments and cross-cultural backgrounds. Figure 2-1 provides the different elements of cultural norms and value systems.

Figure 2-1: Cultural norms and value systems



Source: (Hill, 2006: 97)

Cavico and Mujtaba (2004) summarize some crucial values in organisations: organisational culture – every organisation has a unique culture, and understanding this in an organisational context will help one who is making decisions or taking action in organisation; employees’ values – before working in an organisation, every employee has their own values that be considered, and how to harmonize personal values with organisational values is a crucial successful factor; customers’ values – understanding and satisfying their values are critical to the success of any business; competitors’ values (that drive their strategy, tactics, and actions) – understanding competitors’ values will help an organisation formulate it’s strategy; owner’s values include assets and equity return, sustained growth, and profitable investment, if all of these values work well together, the organisation will be in harmonious development.

According to Ford et al. (2005: 39) there are “six basic measures of value include theoretical, economic, aesthetic, social, political and religious. Theoretical have empirical, critical, rational and intellectual approach. Useful and practical values are emphasised by economic. Aesthetic is the highest value to judging experience by view of grace, symmetry or fitness. Social have altruism and philanthropy. Political is influenced by interest of power. Religious keep unity from all experience and mystical inclinations”.

Beliefs make up religious thought (and religious thought makes up beliefs). Religions express the ethical beliefs of groups of people and they influence the individual's mental standards and moral levels. Deresky (2006) defines religion as the spiritual beliefs of a society; it transcends other aspects of culture, and because religion is a way of making sense of life, it is an area of potentially great conflict in the workplace for both the individual and the group, where there are differing world views. Addressing the diversity of religious perspectives in the organisation requires highly developed cross-cultural sensitivities and emotional competencies.

In South Africa, Christian has more scale; Asians in South Africa are mainly influenced by Hinduism and Islam, while Buddhism and Confucianism are popular in China. The different religions influence people's life styles, educational system, and patterns of culture and in the South African workforce with its different religions, managers and leaders avoid religious discrimination, and respect different religious beliefs and observances, because the potential for conflict and its consequences, organisational dysfunction, are very great.

People's attitudes towards others, time, space, personal achievement and authority also are important factors of culture. People from urban areas tend to follow tight time schedules, whilst the people from rural areas tend to follow loose time schedules. Most African countries follow loose time schedules, but in most of the West and in many Asian countries, they follow tight time schedules. In countries which favour individualism, they prefer closed working space; this expresses personal status and authority, but in collectivist countries, colleagues tend to share the working space.

There are different classifications of cultural dimensions. According to Hofstede's research cited in Daft (2003: 308), "culture dimensions include power distance, uncertainty avoidance, individualism and collectivism, masculinity and femininity." In organisations and institutions, high power distance people accept unequal authority and power within individuals. People with low power distance expect equality in power. In high uncertainty avoidance the people do not have any tolerance for ambiguity and uncertainty. They keep their behaviour and beliefs consistent. In spaces of low uncertainty avoidance people are unstructured and unpredictable.

Individualism means people take care of themselves; they concentrate on their own position and achievements and this does not result in a close-knit society. In collectivism, on the other hand, people have a close relationship with the larger society. Table 2-1 presents the different dimensions of culture.

Table 2-1: Dimensions of culture

Dimensions of culture
1. Communication and language * Language/dialect * Gesture/expression/tones
2. Dress and appearance * Clothing * Hair * Grooming
3. Values * Privacy * Respect
4. Beliefs * Social order * Authority
5. Sense of self and space * Distance * Touch * Formal/informal * Open/closed
6. Time consciousness * Promptness * Pace
7. Work ethics

Source: (Robbins et al. 2003: 20)

According to Maznevski et al. (2002: 277) cultural orientations and dimensions are: cultural conditioning, which is a way to identify good or bad, right or wrong, and what is changeable or unchangeable; relationships with the environment – everyone needs a sense of control over changing environmental conditions in an attempt to keep the balance between human beings and the environment for harmonious development; the past, which will give a picture of history and guide the standard of decision-making; the present, which will impact on the future and the long-term needs of the environment.

Hofstede (1984) indicates that the dimensions of individualism and collectivism describe cultures from loosely structured to tightly integrated; the masculinity-femininity dimension describes how a culture's gender values dominate; while power distance explains the distribution of cultural influence. And as indicated earlier, uncertainty refers to the tolerance of ambiguity within a culture and the degree of risk that is acceptable.

Culture orientation plays a significant role in guiding business orientation. Through cultural orientation analysis, managers and leaders know how they conduct their business and how to manage their organisations in different countries.

This cultural orientation is where a nation's culture is formed by different population groups that share similar cultural values with regard to legal institutions and educational systems. National culture plays an important role in the global market, because this is conducted within the specific legal, political, and social framework of that particular culture (Thomas and Inkson, 2004).

Cultural orientation is also divided into individual and collective cultures. In individualistic cultures, people take responsibility for their own behaviour (Thomas and Inkson, 2004). In an individualistic culture, if people achieve individual goals and have successful positions in an organisation, he or she will be defined as a good worker, but in a collectivist culture, groups are prized for their contributions to an organisation because they follow the norms of the collective and maintain harmony in the group. Therefore, these people are defined as good

workers (Chen and DiTomaso, 1996; Fujimoto and Hartel, 2006: 208). In collective cultures, people feel a responsibility to their group, and will take care of their collective (McFarlin and Sweeney, 2006).

The group can be a family, a tribe or an organisation. In the individualist culture, as it applies to the workplace, the relationship between employer and employee is established by hiring and contracting. An employee's promotion is based on his/her skills and performance in collectivist culture; on the other hand, the manager and worker relationship tends to be different. Hiring and promotion is according to personal relationships and to family links. Comparing individualistic and collectivist cultures, collectivist cultures are more bound by interdependent relationships and the person is more important in the group or organisation than to the individual self (Stipek, 1998; Fujimoto and Hartel 2006: 308). People think of themselves as a member of a group in collectivist cultures. Their actions influence their groups on a more public level and everyone's opinions are taken into account. Distefano and Maznevski (2003) outline some elements of the individualist and collectivist dimensions, which are worth noting because they underlie the complexity of differing cultural dimensions when they meet in a workplace melting pot.

In different dimensions, people play different roles and have different relationships. In collectivism, leaders and subordinates move towards the same goals; the development of the collective is more important than the individual's benefit. Individualism has the opposite meaning. Hierarchy is the relationship from low to high; the subordinates are expected to follow the leader's decision and order.

Table 2-2: Relationship in different dimension

	<u>collectivism</u>	<u>individualism</u>	<u>hierarchy</u>
<u>leadership</u>	leader shows personal care and concern for subordinates	leaders empowers subordinates to make own decisions	leader commands and subordinates look after leaders
<u>teams</u>	joint goals, roles fluid, prefer group reward	identify individual roles and contributions, prefer individual rewards	leader decides roles and determines structure of team

Source: (Distefano and Maznevski, 2003)

People's relationships have collective and hierarchical forms. In individualistic societies, the individual is most important, followed by the family. In collectivist societies, the group is pre-eminent, while hierarchical social power tends to be wielded by a few high-level people and is distributed unequally. These different forms of power relations can often pose major organisational obstacles when they clash in a common workplace.

According to Fujimoto and Hartel (2006), people who are more collectivistic think individualists are not easy to integrate. When collectivists are placed in an individualist situation, this can lead to negative outcomes, such as rejection, disapproval and intergroup anxiety.

This leads to a discussion of power distance, where power distance in different cultural contexts impacts on power distribution. Hofstede (1984) observes that where cultures have high power distance, power and authority are concentrated in a few people's hands, hierarchy is clear, and people in the lower levels perceive that there exists unequal power in the work place, which reinforces the differences between people. The converse is true for contexts with low power distance. This also plays out in the nature of relationships in the different cultural contexts of individualism and collectivism.

According to Hofstede (1994) individualism focuses on individual achievement rather than collective achievement. A high individualism ranking has a larger number of looser relationships, whereas a high collectivism ranking has closer relationship with others. Every member in a group will take responsibility for other members in group. People from individualist cultures think their own achievements and successes are of greater importance than those that might benefit their group. In the workplace, they usually focus on their position and level in the hierarchy, and they prefer their business values rather than establishing long-term relationships. High individualist culture countries include America and France. People with a collectivist culture are more focused on their group. Loyalty to and harmony within the group is very important, and every effort is made to avoid conflict. Direct refusals will destroy the harmony and so disagreements tend to be expressed indirectly.

South Africa is more individualist in nature and this comes out in the way people introduce themselves using their given names first. Chinese culture is more collectivist, and as a result, Chinese people always mention their family name first, and when they write an address on an envelope they usually put their country first. These descriptions may appear petty, but have huge consequences in the way people from the different cultures relate to each other.

In present day South Africa, there is evidence that both types of cultures increasingly exist, based on the individualistic life-styles of those with a European ancestry, and the collective/communal life-styles of many African communities. With Chinese companies operating in South Africa, where the labour is primarily drawn from the African communities, it can be observed that both the Chinese management and the African workers share strong communal instincts, and this helps reduce the many elements of cross-cultural difficulties. This would be an area of research worth exploring in the near future.

2.3 Cross-culture

In the 21st century, globalization is a phenomenon that is experienced throughout the whole world. Culture is not exempt from this and its effects are felt particularly in multi-cultural

societies. Understanding cross-cultural influences is therefore important for modern leaders and managers. This starts perhaps with the appreciation that people will experience cross-cultural influences differently depending on their birthplace, religion, nationality, ethnicity, age, gender, family status, education, career and workplace. Cultural diversity becomes an important element in organisational behaviour, human resources and strategy management. Business travel opportunities will help workers and managers to experience cross-cultural influences and this will then lead to awareness and hopefully an appreciation of different cultures. Cross-culturalism is associated with globalism, transculturation, transnationalism, and cosmopolitanism. Cross-culturalism is a neutral term; it describes other cultures, which are geographically apart, in a cultural mixing process. Managers and leaders will obtain cross-cultural experience from studying or working overseas. People begin to understand cross-cultural phenomena when they experience and confront it. According to Harris, et al. (2000), through cross-cultural experience and learning, managers and leaders will broaden their minds and views and will develop greater patience and tolerance for different cultures. It also helps them to obtain new perceptions and to develop a better relationship between themselves and the human beings that influence their native culture. Cross-cultural experience and understanding may reduce the negative influence of culture shock and increase the intercultural communication that can contribute to the effectiveness of organisations and the development of professionalism. Cross-cultural experience can provide a different level of cultural knowledge which can be of benefit when dealing with cultural diversity issues. Table 2-3 shows a summary of four cross-cultural arenas in international management.

Table 2-3: Four cross-cultural arenas

	One way	Multi-way
Individual level	Arena 1: Expatriate Individual manager going to another country to manage a business unit or perform a specialist job.	Arena 2: Multicultural team Group from many countries, often cross- functional, managing across units or a multi- country project.
	Arena 3: Export system	Arena 4: Global system

Organisational level	Take human resources, information systems, or other practices or strategies from one country into another.	Develop human resources systems, organisational structures or strategies to be implemented in many countries.
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Source: (Distefano & Maznevskl 2003: 2).

Distefano and Maznevski (2003) claim that managers have effective relationships with individuals from other cultures at the individual level (Arenas 1 and 2). They also state at the organisational level (Arenas 3 and 4), that managers create interaction systems and guide others with coordinated behaviour. In one-way transactions (Arenas 1 and 3) managers transfer one culture to another culture. In multi-way transactions (Arenas 2 and 4), managers will deal with different cultural systems at the same time.

If the managers or leaders master a foreign language, they will find some hidden codes of culture, such as how and when people use humour, when they behave formally and informally, and the different meanings of the use of silence, the exercise of power, the manipulation of gender relations, the invocation of position, and so on (Hoecklin, 1995). A person's culture will influence their personality. Goldberg (1990) examines five personality factors: "extroversion, agreeableness, conscientiousness, emotional stability and openness or intellect" through which managers can understand their workers' personality.

Cultural differences will influence leadership and management styles, behaviours and attitudes, and also influence the performance and effectiveness of an organisation. Frey-Ridgway (1997) states that people from different cultural groupings or groups with distinctive qualities will affect workers' feelings of identity and how they understand their colleagues; they will also influence the management style and the attitude, communication skills and behavioural characteristics of an organisation. Diversity within the workforce will bring opportunities and challenges to organisations. It could help an organisation to achieve efficiency, innovation and increased competitiveness in the international environment.

Hoecklin (1995) summarises some characteristics of cross-cultural organisations: networking structures, which enables information, resources, and products to flow freely between units in an organisation; coordination mechanisms, which are adapted in the organisation; shared perspectives and centralised decision-making of and by managers; unique innovation capabilities that foster intelligence; flow of ideas and knowledge in an organisation.

Some advantages of having a cross-cultural workforce in the organisation are that they may bring competitive potential to the organisation and may provide novel solutions to business problems. By comparison with the homogeneous cultural workforce, they deliver a better performance and are more efficient. According to Wright and Noe (1996) international organisations deal with many different kinds of customers due to the dynamic business environment. A diverse workforce can help managers improve their capabilities to satisfy the demands of customers and to build long-term relationships with them. The cultural environment is very important in the international and multinational environment, because this environment includes religion, values, education, and social structure. Different managerial behaviour and strategies will succeed in one cultural environment but meet failure in another, so different cultural environments will find appropriate management structures and technologies in an emergent way. In cross-cultural environments and organisations, managers and leaders have accurate ways to diagnose adaptation and perception (Miroshnik 2002). According to Hoecklin (1995), culture can determine the kinds of structures and coordination mechanisms that are thought to be natural and right. Implicit cultural values will influence the assumptions about the extent to which differences in culture influence organisations and the extent to which that is perceived to be in need of management, is unmanageable or is best ignored.

Deresky (2006) indicates that understanding the nature, dimensions and variables of a specific culture is very important and beneficial to international managers and leaders to know how these factors influence work and organisational processes.

Knowledge of culture will help people to formulate suitable strategies in an international

setting, and it leads to effective interaction within the increased cultural diversity of the workforce, especially in international organisation. Chinese managers, who lead and manage cross-cultural and diverse workforces in South Africa, need change their own culture to suit local culture and local situations. However, cultural change not only means creating a new cultural structure; it also includes cultural innovation, involving the development of the capability to assess and select new and appropriate ideas, and the adoption of these ideas and views inside and outside the organisation. Inside organisation culture includes organisational culture which is formed by employee culture, and outside organisation culture includes government, customers, competition, partners, and a cross-cultural South Africa consisting of African, Asian, Indians, European cultures which help managers and leaders find the appropriate culture to meet requirements from different sides. This discussion of the different facets of culture leads to an inquiry into the recently emerging field of cultural intelligence.

2.4 Cultural intelligence

In today's global environment, especially in international organisations, cultural understanding becomes a useful tool for managers and leaders who deal with a cross-cultural and diverse a workforce, customers, competitors, government, and business partners.

According to Bibikova and Kotelnikov (2003: 14), people acquire culture intelligence through continuous learning – acquiring more in-depth knowledge about diverse cultural heritages and transferring this to their own capabilities, wisdom and values – where this knowledge will help them deal more effectively with people who have different cultural backgrounds. Thomas and Inkson (2004) state that “cultural intelligence is a skill or capability for understanding a culture deeply, and in the process of interactions with its people, ongoing learning is maximised, where there is the development of the appropriate skills and behaviours in respect of the other culture”. Cultural intelligence in a Chinese global organisation means the sensitive awareness of cultural differences- such as how people dress, speak, treat others; their attitude to problems; and their normal behaviour and learning rich local cultural knowledge from ongoing managing experience and interaction within organisation. In this

research, the researcher concentrates more on the variables of cultural intelligence of Chinese managers and leaders in KwaZulu-Natal, such as their language skills, their culture awareness, and their ability to adapt to cultures.

Thomas and Inkson (2004) list some elements of cultural intelligence: cultural knowledge and cross-cultural interaction are very important factors in understanding concepts and differences of culture and how culture influences attitudes and behaviour; ways to solve cross-cultural problems; and appropriate behaviour which accommodates the cross-cultural environment.

Cultural intelligence is a useful skill which can lead Chinese managers or leaders to successful innovation in diverse cultural organisations or companies in KwaZulu-Natal. Managers and leaders who have cultural intelligence will solve conflicts between different people of different cultures and improve ideas and interests of different parties, arriving at greater workplace synergy.

In the global environment, cultural intelligence includes cross-cultural social intelligence. Cantor and Kihlstrom (1987) and Ascalon et al. (2008: 111) define cross-cultural social intelligence as “the ability to understand the feelings, thoughts, and behaviour of persons, including one’s self, in interpersonal situations and to act appropriately upon that understanding”. Culturally intelligent people can change their behaviour based on a variety of situations. Cultural intelligence is the intelligence that is related to diversity within the workforce in firms operating in the global environment. It helps managers and leaders to manage cultural problems effectively. It reduces the cultural obstacles, and forecasts workers’ attitudes and how they will respond to management (Bibikova and Kotelnikov N.D.).

Whilst there are several approaches to acquiring cultural intelligence, the essential point is learning from the social environment. In social learning, people can transfer experiences into knowledge and skills. It involves paying attention to the situation, reproduction of the behavioural skills observed, and then a reinforcement of the effectiveness of the adapted

behaviour (Thomas and Inkson 2004).

In cross-cultural situations, people increase cultural intelligence through exploring other people's attitudes and behaviours by listening to their words; observing their behaviour; considering people's cultural backgrounds; using information to create a mental picture of people's personalities, which assists in responding to others appropriately; having awareness of one's own attitudes, views, perceptions and emotions; standing in other people's positions to understand their feelings and perspectives, and thus enabling one to be more tolerant and empathetic.

Thomas and Inkson (2004) summarise some of the processes that help the development of cultural intelligence as follows: a capacity to adjust to external situations; recognition of the undesirability of mindless adherence to one's own cultural rules and norms; understanding standards and motivations of other cultures through learning from them; and the ability to change behaviour to satisfy the needs of diverse cultural standards.

Ascalon et al. (2008) define cross-cultural social intelligence as the process of centralising people's capabilities, skills and knowledge, and will improve through developmental efforts and cross-cultural experience, where non-ethnocentric attitudes may help change typical interpersonal responses positively. It is noted that there are some abilities that can express social intelligence, such as the skills to understand and recognise verbal or non-verbal cues of multiple cultures, thereby making the correct inferences in different cultural contexts, which allow the appropriate social objectives to be achieved.

Leaders and managers who face cross-cultural issues can recognise the cross-cultural phenomena by developing cross-cultural capacity through observing and analysing special conditions, and applying appropriate behaviours in different situations. Cultural intelligence helps them to solve cross-cultural issues, reduce cultural conflicts and barriers, and also helps them predict the behaviour patterns in the cross-cultural workforce of organisations, such as in KwaZulu-Natal. Every culture cannot exist solely or parallel to other cultures in cross-cultural

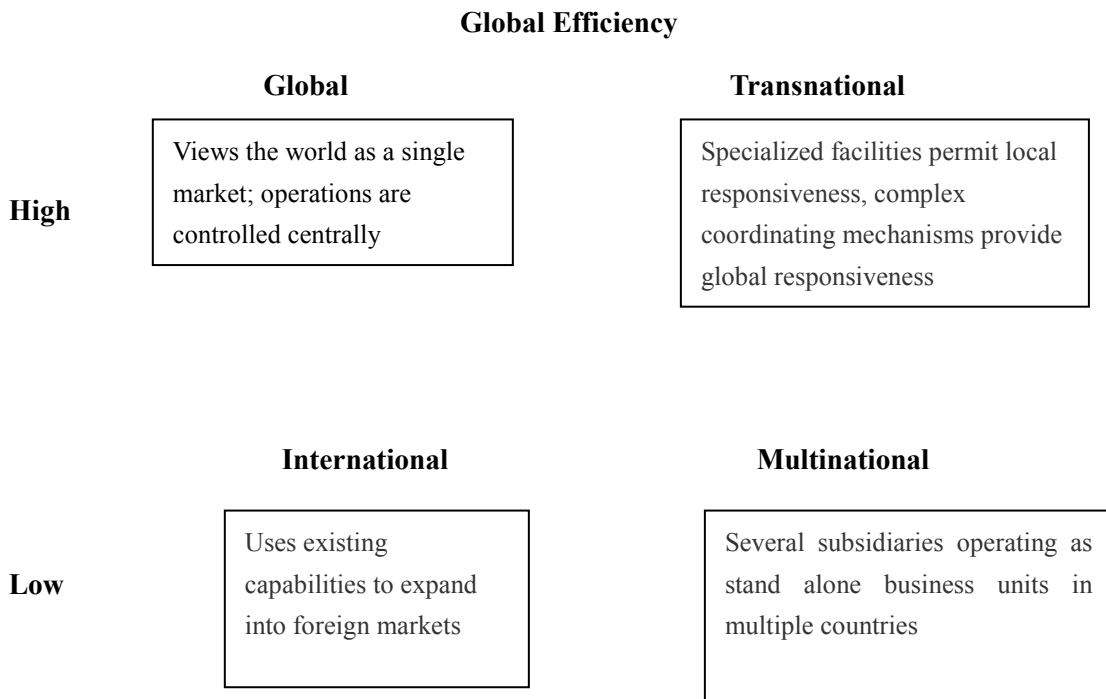
situations. The managers and leaders find the similarities and differences between cultures to improve cross-cultural learning in global organisations.

2.5 Leading and managing cross-cultural factors and diversity in the workforce

As has been pointed out several times already in this dissertation, the main problem facing managers and leaders in a company operating in a global context is how to effectively lead and manage cross-cultural diversity in the workforce. Today, successful international managers and leaders have gained special knowledge through cross-cultural experience, which enable them to identify ethnic diversity, employ cross-cultural communication skills and provide them with the capability of sharing perceptions, insights and knowledge to adapt to the local and international business market. As Cullen and Parboteeah (2005) mention, some critical characteristics of global leaders are: foreign language capability, cross-cultural communication skills, experience of working in different organisations with different ranges of people, ability to conduct in business diverse cultural environments, capability to accommodate any cultural challenge, flexibility and the wisdom to improve self-awareness and self reflection.

International and cross-cultural businesses mix and match different perspectives, values and practices. International organisations need capable leadership and management to guide workers to achieve common goals. Leadership and management styles influence the success or otherwise of an organisation in the achievement of their goals and targets. Appropriate management and leadership leads to greater job satisfaction of worker commitment and higher productivity. Leaders and managers adapt flexibly and sensitively to each new cultural situation. Before leading and managing the organisation, leaders and managers need know the particular business environment. Knowing the structure and type of their organisation and how this relates to the social and business environment. The following diagrams are important descriptors for assessing the kind of environment that one is in, with the contexts of high efficiency requiring, by their very nature, cross-cultural intelligence to be at play in the organisation.

Figure 2-2: Global efficiency



Source: Barlett and Ghoshal (1961); Miroshnik (2002: 522).

Thus, managers and leaders know their organisational or company's type and their degree of global efficiency and local responsiveness; they also recognise their environment accordingly. There are four elements of the business environment to include: these are the legal, cultural, economic and political elements. Managers monitor the variables of the environment in which their businesses are involved. These variables within each element are many, and this calls for the ability to hold an on-going awareness of them for successful cross-cultural dialogue (Phatak, 1986; Miroshnik, 2002: 523).

This leads us to consider the basics of leadership within the context of this exploration. Thomas and Inkson (2004) define leadership as the capability to guide followers to strive to achieve common goals, while Skansi (2000) indicates that leadership is a function of management; it relates to the conduct of people, to their societal interactions, and to the procedure of guiding people towards organisational common goals. However, leadership in the domestic or national situation is different from that required with global leadership.

Perlmutter (1997) points out that global leadership will be related to the global environment that includes global economic, cultural, social, and political aspects. It is also influenced by new cooperation options and an understanding of consumer values. Global cross-cultural competence is very important. It helps organise new alliances between cross-cultural vendors, suppliers, competitors, customers and partners, and it prompts adjustments to management style.

Mosadeghrad (2003) cited by Rad and Yarmohammadian (2006) mentions that managerial behaviour, skills, attitudes, characteristics will influence leadership style. In different situations, people have different individual and organisational values, leadership interests and employees reliabilities. Harkins et al. (2006) mention that leadership is very important for managing a global workforce in international organisations. Leaders have the responsibility to transfer local workforce rules to global environmental conditions. High quality leadership is a foundation to guide organisations toward ongoing success and growth in the global market. Leaders ensure that different cultures and cross-cultural communication is advanced in their organisations as this will promote business. To achieve success will require the full support of the whole organisation, including senior management, middle, lower management and workers. All of the aforementioned bodies affect the potential of the organisation to achieve success.

According to Kobrin (1994) and Fish et al. (2008), the managers' world view will influence their competitive ability and their cultural and business suitability. The competitive environment calls for managers who are sensitive to the explore values which will influence different ethnic groups.

In today's global business environment, successful leaders spend time with all levels of their workers, inspiring and getting to know them; they will take on challenges well beyond the level expected of them and in this way they will demonstrate their ability to achieve great things. Such global leaders are expected to build good relationships with cross-cultural workers, sharing the critical information and knowledge gained from this relationship, and seeking coherence in what could otherwise be a chaotic situation.

Cullen and Parboteeah (2005) note that today's global executives know how to respond to the competitive challenges that emerge when local principles change or are adapted in a global environment. They have the awareness that international exposure and experiences are vital for business success, and that internationally-minded, globally-literate leaders are needed at a time when leadership styles are in transition around the world. They also mention that successful multinational managers and leaders have the following characteristics, global-mindedness, an understanding that the business world is changing rapidly, they think globally whilst adapting their behaviour to local situations in any country; they also display a capability to work with people from different backgrounds, and relate well to the customers, workers, suppliers and partners from different countries. The ability to manage change and transition is vital in a global economy that is volatile and unpredictable. So leaders and managers have the ability to effect the necessary changes in organisations and learn how to restructure global organisations to meet the complex and dynamic needs of businesses operating internationally and in cross-cultural environments. Leaders identify workers with accomplished negotiating skills and with the ability to negotiate with cross-cultural competitors and partners.

Daft (1999) indicates that leaders have major challenges to maintain unified and strong corporate cultures, while at the same time promoting diversity. Unified and strong cultures are easier built by homogeneous cultures, which also influence the success of an organisation. Diverse cultures and ethnic groups will express competitive or even antagonistic relations to others in the workplace. Leaders will spend more time and energy in dealing with interpersonal issues which increase in a diverse environment, thus their tasks as leaders to guide diverse workers to a common purpose will be that much harder.

Fish and Wood (1997) and Fish (1999) list some vital capabilities which managers and leaders acquire: international transformation ability; the capacity to understand traditional attitudes, values and behaviour and how to deal with relationships with workers; language ability which help to communicate in foreign trade situations.

The leaders' abilities will influence their subordinates' attitudes, behaviour and performance,

which in turn will influence the respect they receive from workers, and will promote honesty, efficiency and open communication with workers (Aronson et al, 2003).

According to Fullan (2001) some characteristics of effective leadership include: creating a clear purpose; motivating every worker and using effective ways to deal with problems; being responsible for measuring success; motivating people's inner commitment; and mobilizing people's moral standards.

Cullen and Purboteeah (2005) point out that, according to the Ohio State University and Michigan University's research, there are two major types of leadership: a task-centred leader and a person-centred leader. A task-centred leader is one who will guide followers to accomplish the organisation's tasks and give them direction to complete target goals. A person-centred leader is one who concentrates on satisfying the workers' needs, such as their emotional and social needs, and who takes into account feelings and ideas of the workers.

Leaders have the obligation of stating a vision and ensuring that the vision is implemented by their subordinates. Leaders understand completely the nature of changes that might be needed and they inspire all workers to make such changes. The leaders at all levels articulate clearly the new strategies, and encourage workers to convert these strategies into realities. The leaders encourage diverse cultural groupings of people by sharing perceptions, insights, and knowledge to increase the effective attainment of organisational objectives.

A different list of leadership styles is offered by Fullan (2001): coercive – the leader demands compliance; authoritative – the leader inspires people toward a vision; affiliate – the leader creates harmony; democratic – the leader forges consensus through participation; coaching – the leader develops people for the future.

Two of these styles negatively affect the atmosphere and performance. Workers dislike and reject the coercive style, and people tend to be overwhelmed by the pacesetting style. The other four styles have a positive impact. None of the leadership styles are complete and effective for all situations, so leaders identify the situation, and then choose the appropriate leadership style. A leader tries to create a good relationship with every worker, including the workers who do not

support them. Sometimes workers have some excellent ideas regarding diverse or complex situations that a leader does not follow up on. Dissenting voices are especially needed in such circumstances.

Every leader improves their moral standards. Leaders with high moral standards display a key characteristic of good leadership. Effective leaders are both self-centred in their pursuit of personal goals, and also unselfish in the way in which they will attempt to lead for the common good. Employee' moral standards is very important in an organisation as the employee with high moral standards are of benefit to the organisation and drive people to be more ethical and honest. Good morals will build mutual trust and respect (Fullan, 2001).

Then there is the Path-Goal theory (Cullen & Parboteeah, 2005) that identifies different kinds of leadership methods in different situations as follows:

- The directive style that gives subordinates specific goals, schedules and procedures.
- The supportive style that shows a concern for satisfying subordinates' needs through establishing good relationships.
- The participative style that uses consultation with subordinates, asking for suggestions and encouraging participation in decision-making.
- The achievement-oriented style that sets goals and rewards goal accomplishment.

The different kinds of leadership help the manager and leader understand their foundation in the different situations and environments with desirable attributes being the flexible use of cross-cultural skills; the effective managing and leading of the workforce; the strategic implementation of power to make decisions and to devise strategy; and the capacity to lead the workers toward the organisations' objectives.

Managing cross-cultural issues includes confrontation with cultural conflict, and so effective management of cultural conflict plays an important role in cross-cultural management.

According to Williams (1994), different values and norms of behaviour will lead to cultural conflicts. People's behaviours and worldviews, based on their values and norms of culture,

result in different cultural values, which will influence their acts against their opponents, creating misunderstanding and conflict.

Williams also summarises some of the ways to analyse cultural conflicts. Cultural conflict is complex and dynamic. It may be analysed from behaviour and cultural differences, where conflict arises by strong disagreement and emotional reactions. Thus to analyse the context of discussion is the way to solve conflict.

When cultural conflicts exist in an organisation, especially in international organisations or multinational organisations, managers and leaders try to solve these problems and conflicts between the diverse and cross-cultural body of workers and managers by doing the following: investigating cultural dimensions, acquiring knowledge of the different cultures and cultural perceptions, analysing conflict (including offensive behaviour), solving conflict based on their cultural perspectives, facilitating communication in a cross-cultural situation, improving cultural training in the organisation, and learning from general reading and experience. An organisation's structure reflects cultural norms and possible conflict sources; changing the structure will make the system more sensitive to other people's cultural norms. Managing cross-cultural conflict is an important tool for promoting a harmonious environment and healthy development in organisations (Andrea, 1994).

According to Daft (1999), successful managers and leaders have the responsibility of noticing and responding to cultural differences, and of realising how difference and diversity affects an organisation's culture and development. Bhaskaran and Sukumaran (2007: 66) observe that different enterprises have different background founders, owners, leaders and senior managers, and their management practice, control processes, relationship with workers and their management style also differ in different companies. Diverse groups have diverse age, gender, geographic, ethnicity, language, religion, education background, lifestyles, and physical and cognitive capabilities (Seymen, 2006).

Daft (1999: 302) states that "diversity has two dimensions, including basic dimensions and

secondary dimensions. Basic dimensions have age, ethnicity, gender, mental or physical abilities, and sexual orientation. Secondary dimensions are work style, communication, education level and personal skill". These dimensions will change through time, and these dimensions have less influence than the basic dimensions. It influences a person's worldview and how others view them. In an organisational setting, a person's education level and working skills have a close relevant relationship with the leaders in a cross-cultural organisation, who understand every person from their values, and transfer these unique values and diversity characteristics into the work ethos of the organisation.

Fleury (1999) comments on the increase of competitiveness and diversity in the workforce, making cross-cultural management essential for organisations. In cultural diversity management, organisations encourage their workers to share their cultural perspectives, so that, through mutual understanding, cooperation can be enhanced to reach the common goals of the organisation.

Adler (1983a) and Miroshnik (2002) mention the advantages of having diverse cultures in organisations. These advantages include: improving skills to solve problems especially in dynamic and complex environments and improving the awareness of creativity and flexibility to communicate with diverse cultural client groups.

Daft (1999) indicates some barriers to achieving a high level of diversity awareness, acceptance, and appreciation. These include ethnocentrism, wherein people think their culture is the best culture, and find it difficult to accept other cultures' values or beliefs; stereotypes and prejudice, wherein people of different ethnic backgrounds find it easy be prejudiced against others, leading to unaccepted diversity in the workplace; gender, status and ethnicity inequality, particularly in respect of White males in high positions in some work environments; and diverse cultures in competition with homogeneous culture. Thus, managers and leaders deal with interpersonal relationships in a diverse environment.

There are some effective ways to manage cultural diversity. Alternative ways consider

creation, intervention and the organisational setting. They are flexible to explore the potential of the workforce's contribution towards the understanding of different marketing demands, insight into how to improve job satisfaction through learning, which suits today's dynamic business environment and scenarios, and their ideas on how to decrease worker's turnover rate to save costs. According to Fish et al. (2008) a manager's cultural and business potential is an important factor in selecting appropriate ways to manage cross border business, and also helps them to alleviate failure and adjustment.

Nicholson (1997) claims that cross-border management performance results are more positive in managers who value divergence, whereas others find it hard to accept. The new methods of managing cross-border trade activities involve businesses with more diversity, greater acceptance of cultural diversity in the management team, and acceptance of divergent mindsets in the organisational culture.

Herskovits (1989) cited by Miroshnik (2002) summarises five culture dimensions, including "material culture, social institutions, man and universe, aesthetics, and language". Material culture indicates a high demand for goods, and quality and types of products, and includes two aspects: technology and economics. Man and universe includes religion and superstitions; these will influence the individual's values and belief systems. Aesthetics concerns the artistic expressions of a culture like art, storytelling, music and drama. Understanding the aesthetics of a particular culture is important activity in cross-cultural communication. Language is the difficult part of culture, which, as well as idiomatic expressions, should be understood by global managers and leaders.

There are some benefits of diversity including increased profits, increased creativity, flexibility, learning, personal and organisational development and growth and the ability to adapt and compete in a dynamic environment. If management of cultural diversity is effective, it will improve an worker's working satisfaction and performance; if mismanaged this will lead to lower performance and unsuccessful working communication with greater distrust, isolation, feelings of being ignored and less confidence (Dadfar and Gustavsson, 1992).

Seymen (2006) suggests that effective management of cultural diversity is to create a common culture that makes the workers feel comfortable when they work together. In diverse workforces, managers accept the large differences in individual approaches to life of their workers for the sake of productivity. It is more difficult to manage a diverse workforce in comparison to managing a homogeneous workgroup. Harrison (1998) suggests that there is more conflict in a culturally diverse workforce than in a homogeneous cultural workforce because of some of the prejudices, biases, stereotypes, and different values that exist in different cultures. People tend to have good relationships with those who are from a similar cultural background. Managers avoid these prejudices and stereotypes.

According to Fujimoto et al. (2007) a diverse workforce will cost more to coordinate because the different attitudes, values, views and communication skills, and the differences of individualists or collectivists will affect the organisation negatively, producing stress, distrust, negative social communication and bad behaviour in the workplace. People who have different values or beliefs will bring about some negative outcomes, but in reality, different cultures in the workforce will contribute some new views and flexibility to problem solving, and a better quality of decision making. Awareness of cultural and sub-cultural differences will help leaders to lead multicultural organisations effectively. The differences are more about barriers of communication and coordination in organisations.

According to Fullen (2001), global managers and leaders have five emotional competencies. These are, self-awareness - understanding one's own preferences, intuitions and internal states; self-regulation - control of one's emotions and resources; managing one's motivation - motivate self-reaching goals; empathy – “wear other's shoes”, and consider others' feelings and needs; and social skills - identify others' responses.

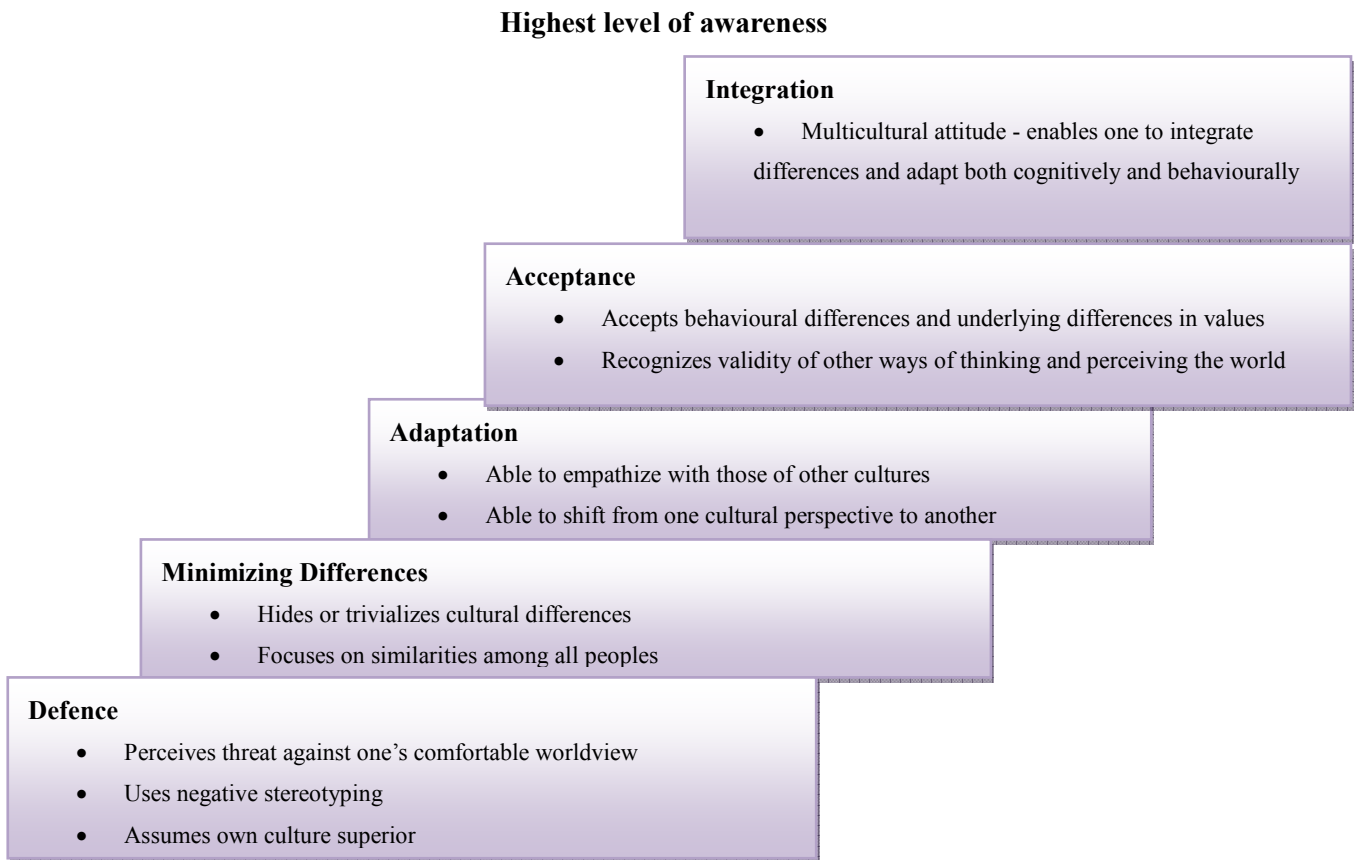
In the global marketplace, managers and leaders become more culturally sensitive, globally minded and diverse in their skills when handling cultural diversity. It is difficult to control complexities and diversity in a global environment. Managers and leaders use appropriate leadership styles as part of the organisational culture, adopting different strategies for different

cultural environments. Managers attempt to understand personnel behaviour, attitudes, communication, and choose an appropriate style to guide workers to improve their performance. Managers and leaders understand human nature and the basic human needs and they create an environment that motivates workers and encourages suitable behaviour and positive attitudes of participation.

Top management in organisations that is committed to diversity and diversity-oriented processes, acquire the appropriate ability to deal with diversity when the workforce is from different cultures. They do not retain the same management practices that they employed when dealing with a homogeneous workforce. Instead they develop their skills and talents to work with diversity, and acquire diversity training. Daft (1999) indicates that training people to gain an awareness of diversity will help them recognize their thinking, including hidden and overt biases; help people communicate with different background groups effectively; improve the understanding of other language and context; and help people cooperate and create new interpersonal communication skills.

When leading a diverse workforce, the leaders and managers usually focus on creating equal employment opportunities, avoiding unfair treatment, and providing equal opportunities for recruitment. Discrimination and prejudice will force different cultural workers out of the organisation. In order to retain workers, managers treat all workers equally and respect their differences. Misunderstanding diversity will lead to high staff turnover, difficulties in communication, and personal conflicts (Robbins et al. 2003).

Figure 2-3: Personal diversity awareness in different stages



Source: Based on Bennett, M. (1986). A Developmental Approach to Training for Intercultural Sensitivity. *International Journal of intercultural Relations* 10, 179-196, cited by (Daft 1999).

Harris et al. (2000) mentions that cultural sensitivity helps managers understand relative cultural attitudes and behaviour, in order to manage cultural differences effectively and to improve the manager's general cultural awareness. Managers and leaders understand the concepts and characteristics of a culture before they study its languages. Managers and leaders appreciate their own mindset and cultural backgrounds when they connect with clients and workfellows.

According to Zhu and Ulijn (2005) cross-cultural management is global management, where cultural background will be used to observe people's behaviour and organise people to work together. Cullen and Parboteeah (2005) states that in order to manage cross-culture successfully,

multinational leaders and managers understand values, beliefs, norms of societies in which they work, and recognize the rituals and symbols of culture which help them know the customers, workers and colleagues' views and behaviours.

Daft (1999) suggests that sharing vision and values through communication in a global organisation will reshape people's ideas, attitudes, thinking modules and behaviour to diversify personal beliefs and values, respect different ideas and mental modules, keep organisational culture open and innovative, and motivate people to focus on the common vision and goal of organisation.

The global leaders and managers face the challenge of creating new models of leadership and management that recognize the contribution of each worker, and that can identify their differences and effectively and innovatively work with all workers in an organisation. They address the cultural boundaries such as the conception of workspace, the perception of time, the concept of scope, and the notion of institutional structure. They broaden their minds and manage those from different cultural backgrounds with flexibility. It is advisable to also develop the ability to influence workers' attitudes, motivation and behaviour.

Cullen and Parboteeah (2005) propose some key success factors for global managers and leaders. Managers and leaders with excellent technical, administrative, and leadership skills can be the most successful in different cultural situations. In a foreign environment, managers and leaders will confront some unexpected problems and complex jobs in new situations. If they have a willingness and desire to learn new things, and have an interest in other people's cultures, they will be likely to be successful in dealing with uncertainties and novelties. It is advisable to be culturally flexible and sensitive to different cultural norms, values, and beliefs and managers and leaders are prepared to modify their own actions and attitudes to fit in with a new culture. They are also wise to adopt collaborative negotiation styles and to avoid direct confrontation. Managers and leaders have the capability to speak, read, and write in the host-country's language. This helps them to display their managerial and technical skills, and they will find it easier to communicate with local colleagues, workers, and customers.

Learning the local language/s also increases the knowledge of the local culture and decreases the culture shock and stress of different cultural situations.

It is sensible for managers and leaders to understand their own behaviour. On the other hand, no one can fully understand his or her own behaviour that occurs within a cultural context. The acquisition of language skills will help a leader or a manager become successful. They also need however to possess other important characteristics such as: confidence, a thorough grasp of the essence of the other cultures, initiative, problem-solving ability, assertiveness, perseverance, the ability to motivate others, the desire to help others and a sense of responsibility to respond to others in the diverse workforce with patience and care. In the dynamic and complex business world, people acknowledge their differences. Fish et al. (2008) maintain that managers respect foreign cultures in an international business situation. They need to remember that the outcome of international business negotiations can be affected by whether or not their own cultural impact is seen to be appropriate.

Cultural fusing is a win-win relationship between the company and its employees. Cultural recognition realized through daily influence and training is preferable to mandatory prescriptions. This training ought to form part of the culture of a company and employees should be encouraged to get familiar with the culture systematically. This training should be endemic to the working environment, behaviour in the working place, and the communication and cooperation style among colleagues. Training can improve employees' work skills and talents. For managers and leaders in the international market, international training will help them obtain adequate knowledge and skills to effectively work abroad. Cross-cultural training will help individuals rapidly to accommodate the new culture and their new roles within it. The host country partner provides the qualified training as they are familiar with the environment and have knowledge and skills in the host country to train people.

Managers and leaders have an awareness of cultures beyond their own traditional cultural inheritance. This awareness will assist in creating a better environment for better communication and cooperation. Cultural synergy will increase an awareness of cultural

similarities and decrease differences, and this will lead to good human relations. This combined action will solve cross-cultural workforce problems.

2.6 Organisational culture

Different businesses are different in size and have different rules of operation, management methods, communication styles, and opinions on the exercise of authority, and play different role in society. All of this constitutes their organisational cultures. Culture affects people's beliefs, their relationships inside and outside the organisation, their views of the organisation's products or services, their view of the company's competitors, and much more. Organisational culture plays a critical role in the effective management of the organisation. Organisational culture incorporates management principles regarding production planning, reduction of the cost price, improvement of customer services, and business performance in general.

In organisational life, culture not only expresses a symbol, rule, or words, but also gives rich meaning to an organisation which contributes to the foundation. This meaning has a deeper sense than what is experienced at the surface (Mallak, 2001).

According to Champoux (2003), organisational culture in the following context includes the norms, values, rites, development, rules and some other information from the organisation's history and culture which influences the organisation deeply.

Different organisations have their unique cultures, especially in cross-cultural organisations. Managers handle successfully the conflicts and problems produced by different cultures will be good for organisations. According to Bhaskaran and Sukumaran (2007: 5), in organisational culture, these involve work values, beliefs, time orientations and space orientations in business settings, and each unique culture tends to control the organisation's management and development through founders, leaders and senior managers. In the process of culture formulation, founders or leaders will add their own cultural values, beliefs, orientations into organisational culture, thus creating a unique organisational culture. They also indicate that organisational culture includes work values; orientations and beliefs that will tend to be

influenced and controlled by founders, senior managers and leaders. They also determine the culture and norms of the organisation.

According to Trice and Beyer (1993), organisational culture and factors are influenced by its history, their leaders' values and goals, the beliefs, norms, experiences, stories which are shared in organisations, the system of reward and incentive, rituals, attitudes, performance and behaviour of employee.

Organisational culture will display through appearance, which are the employees uniforms, logos, brand of their production and the decoration of the organisation. This is the deeper sense of organisational culture that influences the management style, incentive measures, the atmosphere of organisation, and at the same time the organisational culture that guides workers on how to express their emotions, and how to perform. The organisational culture also expresses the relationship between colleagues and the relationship between boss and employees. Rawwas (1996) explains that the values of the culture form the rules and standards in the procedures of setting policies. The organisational culture also gives the guarantees of quality, effective management of the process of production, renowned reputation with the market, and satisfaction by customer interaction.

The organisational culture is the basis upon which an enterprise is founded, and also be formed and evolved in the development of organisation. It includes the organisation's business plan, its purpose, its method of operation and its rewards system. It also informs the organisation's the structure or similarly structure, which in turn forms the culture. An organisation's culture helps it achieve success in a competitive environment. The way managers and leaders manage people will contribute to the unique culture of the organisation. The organisation's culture is the guide to daily work life, which in turn also helps to form the organisation's culture. The organisation's culture will change with time, as it is an evolving process, which helps the organisation to develop in a healthy way. Understanding an organisational culture can be achieved by paying attention to workers' languages, behaviour, nature of the teamwork, customs and traditions, values, philosophy, rules, and the way they

habitually think and act in the organisation. The organisation's culture is a factor influencing the organisation's performance, with different organisational cultures resulting in different types of performance. An organisation's culture is a product of the organisation's history and its purpose. It is practical that an organisation's culture informs its policies and be guided by its history of successes and failures in the global environment, and informs the way in which it deals with global business. It is wise to also decrease uncertainty by adopting policies and processes that are good for diverse employees, and which can satisfy the needs of good interaction with customers in different locations. The organisation's culture also guides workers' behaviour and their emotional expressions.

Denison and Mishra (1995) suggest different characteristics of the organisational culture that relate to organisational performance. As suggested by Denison and Mishra (1995), organisational culture indicates the adaptability, mission and philosophy of culture through external orientations. Internal organisational culture will express the leadership involvement and cultural consistency in the dynamic environment of adaptability and involvement, and will promote flexible management styles. Consistency and mission will give stability and orientation to the organisation. The high level of participation creates responsibility and sense of belonging. Strong coordination, integration and control will depend on the level of consistency. The development of norms and beliefs in culture will promote the capability to translate outside information and signals into internal cognition and behaviour. It also influences the change of organisational structure. Ambitious objectives will adapt in the organisation to focus on support, encourage new ideas of creation, and increase satisfaction of clients. According to Liu et al. (2006), organisational culture will influence the worker's emotional sense, which influences the values of the organisation. A worker's behaviour and productivity is greatly influenced by his or her moral codes.

Organisational culture nowadays includes pluralism and diversity. The nature of the organisation also bears a close relationship to the social environment. Through cross-cultural expression, different organisations form different management standards and cultural values. The basic cohesion source of organisational entity is culture; the difference that exists in

organisation will arise in problems (Riad, 2007).

According to Fullan (2001) organisations can create a system for learning in organisational life; people have chance to transfer their ideas and beliefs freely, and to act by their own values.

Different types of organisation require different characteristics of their leaders. Clan type leaders facilitate the development of human resources, and organise all people to achieve cohesion. The follower in this kind of leadership display commitment. Adhocracy type leaders are innovators and visionaries; they like to create new resources. Hierarchy type leaders are coordinators, monitors and organisers. They use efficiency and a smooth way to control the organisation. Leaders who are market type concentrate on market share, goal involvement, competitors, and productivity (Miroshnik 2002).

Fleet and Griffin (2006) maintain that dysfunctional organisational culture will restrict the capabilities of both individuals and groups. It will influence individual rewards and group performance. An organisation's leadership will create and perpetuate an organisation's culture. This affects different variables including employees' work performance, job motivation, satisfaction and work commitment. It is sensible for an organisation to improve leaders' and managers' abilities to effectively motivate employees. These abilities include group cohesiveness, communication skills, performance norms and individual responses to a group or team context which leads to group-level performance (Fleet and Griffin, 2006).

There are different types of organisations. People in an organisation of an academic culture, tend to be stable. This kind of culture offers a good environment for the workers to exercise and improve their skills, such as a university or hospital. In a baseball team culture, such as banking and advertising, people are highly skilled; they can choose their job freely as they are in high demand. The culture in this kind of organisation is fast-paced and has high-risks. Club culture organisation requires employees to fit into the group. People in this kind of culture, such as law firms and military are assured of security, and develop themselves within the organisation. In a fortress culture, such as car companies and savings and loans, people can be

laid off at anytime. These organisations will often implement massive reorganisation, knowing that people who have specialized skills can get jobs in other places (McNamara, 2000).

Wallach (1983) distinguishes three types of organisational culture including bureaucratic, innovative and supportive culture. The functions and orientations of an organisation are geared to helping workers achieve a successful career, and gain job satisfaction. The organisational culture will be measured by the sets of values and organisation's practices. According to Ashkanasy et al. (2000a), an organisational cultural profile is as follows, leaders drive the organisation's goals and plans, and motivate workers to fulfil their duties. In this way, they keep the role of the culture alive. The limitations of their members depend on their behaviour, performance and power display. The organisation's innovation, creativity and acceptance will ameliorate the risks to a degree. A reward system for workers' behaviour, for how well they fall in with the organisation's orientations, for how they implement plans and interact in communication and share information is practical. There also are opportunities for workers' self-development and for socialising in a friendly atmosphere within the organisation. Liu et al. (2006) points to some important elements in an organisation's success: essential resources provision; paying attention to environmental problems which affect the management environment; goal attainment; the organisational culture, which will predict and explain the structure of the organisation.

Improving flexibility in management systems and consistency, the mission will give stable direction to the organisation, and a high level of participation will create strong responsibilities and sense of belonging. Integration will be created by high levels of shared meanings.

Values are an important factor in an organisation's culture. Values inform the rules and standards of organisations and ensure that they produce well-defined procedures and policies. With organisational values in place, managers can make value-laden decisions and can offer guarantees of quality in good faith to customers. Personal performance and behaviour are other factors that influence an organisation's culture. Family background and social environment influence personal behaviour. The leader or manager's religion and ethnic background are

important elements for an organisation's business culture. The organisation's culture shapes an individual's sense of self-worth.

2.6.1 Diversity in the workforce of an organisation

Global organisations have workers from different countries who do not necessarily shed their national cultural values when they come to work. The difference in values within such organisations can be great, and multinational cultures may actually increase the ties people have to their native cultures. The cultural synergy view urges managers to view multinational cultural diversity as a resource. This diversity will bring better product ideas for culturally diverse markets and good communication with culturally diverse customers.

When a cross-cultural workforce enters a new organisation, they firstly recognise and understand the new culture; this will help them to quickly become involved in the organisation's life. The organisational culture has the following components: language, symbols and narratives. Practically, language is the main communication system shared within every workforce. It is divided into several forms, including humour, gesture, jargon, rumours and slogans. Symbols are the most basic and smallest unit of culture. Narratives mainly give some background information about an organisation's cultural heritage through devices such as stories, legends, myths and sagas. The most complex part in a cultural content is practices which include behaviours, rituals, rites and ceremonies (Mallak, 2001: 19). Knowledge of these components can provide information about an organisation to its workers, and this can help every worker in their analysis and understanding of the organisation's culture. An organisation's culture constitutes an organisational identity, and a personal identity (Riad, 2007).

Organisations have diversity in awareness and action. Affirmative action will be guided by diverse values and form the whole part of organisational culture, but in the evolution process, experience some barriers such as ethnocentrism, prejudice, diversity paradox and the existence of cultural differences. Diverse culture awareness and sensitivity will improve leadership skills, develop personal characteristics to support diversity, and change an organisation (Daft, 1999: 322). It is practical that leaders explore people's diversity potential, and how to use this

diversity to lead and view the environment, work with and learn about and manage people.

Ford et al. (2005) indicate that an organisation's business practices and relationships may not limit its own standard. It meets the variety of differing value structures in a local area. The better customers in the corresponding culture are known, the more correctly adapted the business strategy will be to meet the different requirements.

In an organisational culture, the tendency is to focus on two points: the extent to which cultures are shared, and the extent to which the cultures are unique (Martin, 2002). Unifying the organisational culture will organise the views, principles, theories and insights from different cultures and traditions. Organisational culture in a cross-cultural environment will take account of multiple constructs. It will consider workers' thinking, perspectives and their behaviour in the context of influences from their previous organisational culture or from their customary culture. An organisation help its workers to cope with these difficulties by introducing learning and increasing the capabilities of cognition, so that the organisation's culture can be learned and inculcated

According to Riad (2007), culture has cohesiveness, and cultural problems will lead to diversity in the organisation. Social environment is another factor that influences organisational culture, and takes into account the individual behaviour, norms, expectations and perspectives in the context of a social environment prescribed by social information.

Fleet and Griffin (2006) and Berkowitz (1993) define personal factors which include emotional reactions, behaviour under controlled aggression, extreme personality expressions which will cause others' discomfort. Fish et al. (2008) explains that personal behaviour factors play a very important role in business and management of organisations. Smith (2004) explains that many organisational leaders lack interpersonal skills. These skills include dealing with change and stress, solving conflict and aggression, effective communication and motivation of workers. In cross-cultural organisations, leaders and managers develop their style in such a way that it will help them manage diversity in the workforce.

Intercultural experience comprises of working in another culture and daily communication with diverse cultural organisations. If the diversity is high in groups or organisations, the minority group members have higher levels of differences, and group favouritism by the majority group will affect anxiety in organisation and negatively influence social identification (Fujimoto and Hartel, 2006). It is logical for effective managers and leaders to know their own ideologies with respect to nature and society, so as to use this to develop a suitable strategy for leading a diverse workforce. They also create a learning environment within the organisation for the workforce. As mentioned earlier, it is prudent that leaders and managers understand the different personalities, values, needs, work desires and habits of members in their workforce. They also help their members acquire the awareness of the collective vision of the organisation. Leaders undertake long-term planning in order to understand and support diversity in the workforce and workers from different cultures. They understand the codes and rituals that increase the value of cross-cultural workers (Daft, 1999).

They communicate clearly and openly with workers to build bridges of understanding, and to create collective teams within organisations that can help them forecast and achieve the corporate vision. If these factors are able to affect change internally then managers will be in a good position to meet the challenges of a complex environment. Furthermore, this understanding may assist them effectively to recruit and retain individuals from diverse cultures by meeting a majority of their intrinsic needs. In this way, they may be able to keep them loyal and committed to the organisation. As learning and wisdom increases, one can then use human interactions appropriately (on an individual and organisational basis) to gain a true competitive advantage in the twenty-first century work environment. Managers emphasise that everyone's input and actions are critically important to the success of an organisation.

People from diverse and even within a nation will not automatically work well together. Global leaders and managers create a spirit of team work, and acquire the capability to deal with sensitive issues by applying an understanding of local knowledge, keeping in mind that there is no one cultural formula that can suit every environment and attain long-term effectiveness.

The cross-cultural and diverse workforce will provide managers with the potential to create a community-like organisation in which all the workers are equal. Workers are all treated with respect, receive encouragement and are prompted toward the achievement of the common goals of the organisation. The managers, who deal with diversity management in the organisation, be chosen carefully to ensure that they have the appropriate ability to manage diversity. Cross-cultural leaders have a broad knowledge of cultural dimensions, and cultivate in themselves multicultural awareness. They know the basic backgrounds of their workers such as nationality, gender, age and sexual orientation, and they respect different cultures (Daft, 1999).

In managing diversity in the workforce, they cannot keep to the same management practices that they employed in dealing with a homogeneous workforce; they develop new diversity management skills and talents. To eliminate prejudice, the organisation's policies and cultures are open to the influence of cultural diversity. Workers can be helped to maintain positive attitudes, perspectives and actions, and to contribute to a good organisational environment. One effective method for international managers to acquire knowledge regarding a foreign culture before starting to manage an enterprise in such a cultural environment would be to spend time in the foreign country to observe their day-to-day lifestyle. This approach will provide managers with the opportunity to understand the local lifestyle, their needs, their desires, and other cultural phenomena through personal experience as opposed to reading about this in a book. Once managers have an adequate knowledge of the local culture, they will be better able to work effectively with the various cultural sectors of the workforce. Maintaining a relationship with workers is also an essential part of working cooperatively and of achieving team success.

According to Daft (1999), leaders create equal opportunities to develop workers' unique abilities, guiding and rewarding those who respect cross-cultural workers. They also support related training, such as those mentioned hereafter. Corporate training programs are one of the main methods of bringing international workers together to share knowledge and practices, and to gain the requisite knowledge regarding the company. In training programs, it is beneficial for workers from all cultural groupings to attend and to voice their concerns. This

will provide an opportunity for workers and managers to understand each other, regardless of cultural and generational differences. Ethics training programs, in the international environment, are another excellent avenue to ensure that people are treated fairly, and many companies offer such interaction opportunities and workshops in order to hear the concerns of disparate members of their workforce. Ethics training is an effective way to develop existing personal values and connect these values to their company, the managers and workers, who can learn variability of ethical standards through effective ethics training programs. When they implement ethics training, they ensure that the training content includes various cultures, not only a specific one.

In order to be successful in different cultures, international managers commit extra time and effort to ensuring that their business practices are suitable for both the host culture and for the divergent cultures involved. They become fully aware of the foreign culture's basic forms and norms before starting as managers and continue learning on the job. Maintaining a relationship with workers is also an essential part of working cooperatively and of achieving team success.

The 21st century managers and leaders cannot operate effectively using past methods to move forward and lead a diverse cultural workforce into the future. As effective and intellectual leaders or managers, they have the capacity to create a new organisational culture and learning environment that embraces the various cultures that comprise the diverse workforce.

2.6.2 Systems thinking

Organisations in the 21st century are more complex than ever before. Managers and leaders know and understand the details of internal and external variables involved in cross-cultural enterprises, and teach workers how to use holistic, systems thinking to create new views of the organisation to help workers know their importance and how their behaviour affects an organisation's culture. Systems thinking are a basic method of understanding the details of societal and technological problems within a systemic view of an organisation.

According to Mujtaba and Thomas (2005), system thinking is a multidiscipline approach

which involves the whole organisation, and knowledge of systems thinking will help managers or leaders analyse the many means of organisation change, clearly. Every part of the operation of an organisation or any of its subsystems can be understood through the application of systems thinking. It is also possible to analyse the interdependence and interconnections of systems, and to make some changes in the holistic environment. Capra (1997), cited by Mujtaba and Thomas (2005), indicates that systems thinking involves complexity theory and non-linear mathematical methods. The development of knowledge paradigms will change over time and managers and leaders discover and build upon new theories and shifts in thinking. It is better for managers and leaders to encourage systems thinking which provide an effective way to deal with change in the planning process and the problem analysis phase in the organisational structure. It also requires leaders and managers change their assumptions quickly to adapt to the market (Mujtaba and Thomas 2005).

In organisational culture, managers and leaders explore people's experience and perceptions in order to achieve organisation goals. Their performance, affected by their cultures and evaluation culture, is an effective way of leading and managing (Liu et al. 2006). According to Mujtaba and Thomas (2005: 41), "the systems thinking, or a holistic, paradigm allows all senses to work synergistically in the creation of a learning environment through their interactions with internal and external environments." Managers encourage systems thinking in order to build a learning organisation. It is wise for managers to change their assumptions quickly, provide methods to plan the change, and analyse the problem through systems thinking into an organisational structure. Systems thinking can help managers and leaders use new methods and perspectives in their thinking. Organisations in the competitive environment cannot use closed systems. They allocate all their resources to an open environment that will help organisations operate successfully in comparison to other national and international companies.

2.6.3 Organisational learning

Organisational learning is one appropriate method for workers to expand their knowledge regarding the organisation, and teamwork is an excellent method for workers to work together

effectively.

In the organisational culture, organisational learning is an effective method to promote understanding from a systems perspective. Leaders and managers organise teamwork activities that involve different cultures within the workforce participating in decision-making and create a learning environment in the organisation for the entire workforce who can share knowledge and insight. In this way, they could increase every worker's ability and knowledge in order to effectively implement, modify and change their tasks. Organisational learning explores the fundamental values of an organisation which will influence the organisation's continuity. It is advisable that leaders share their values first, and then assumptions and consequently social validation can occur through shared learning. Organisational learning from a systems perspective is an effective way to understand the strategies and procedures of an organisation. Managers can increase learning in an organisation through teamwork and group activities, and it will involve all parties participating in decision-making.

Organisational learning includes the differences in cognitive and behavioural development (Jashapara, 2003). Organisational learning involves single-loop learning and double-loop learning. Jashapara (2003: 32) state that "single-loop learning is the process that maintains the central features of the organisation's 'theory-in-use' by detecting and correcting errors within a given system or rules. In contrast, double-loop learning is where organisational norms are resolved by setting new priorities and weighting of norms."

Double-loop learning not only requires asking about the facts, but also about the motives and reasons for these facts. Effective managers and leaders analyse their own ideologies of reality through nature, society and science, and create new strategies to lead the diverse workforce. Liu et al. (2006) mentions that there are two methods to learn about organisational culture: one is the typological approach (cultural types), and the other is the trait approach (cultural dimensions). Wallach (1983), cited by Liu et al. (2006), distinguishes three types of organisational culture: bureaucratic, innovative and supportive. The functions and orientation of organisations focused at helping workers make successful career choices and at gaining job satisfaction. Organisational cultures will be measured by their values and by the organisation's

practices. Mintzberg (1991) and Jashapara (2003) refer to organisational learning within the context of the organisation's efficiency, innovation, direction, proficiency, and concentration. In the learning organisation, leaders and managers can motivate their workers to make non-programmed decisions, and create an effective learning environment by supporting them to modify and adapt their tasks (Mujtaba and Thomas 2005). In learning organisations, leaders and managers maximize the potential for organisational learning. Organisational learning is the processes that improves understanding, fulfils the worker's expectations, and develops their ability to understand and effectively manage the organisation. Jones et al. (2003) claims that learning organisations can create, transfer and acquire knowledge, and change their behaviour to reflect new knowledge and insights.

Organisational learning is very important for improving awareness of organisational culture. Through learning, workers can better understand the organisation's strategies and plans. As international managers will be dealing with more complex issues than managing a local workforce, they need more knowledge and understanding of different cultures to build a proper organisational culture.

In the learning process, it is prudent that workers be made aware that the external environment is constantly changing. Individuals are encouraged to take risks, as much of the learning will be from mistakes and experience. Team learning is encouraged and colleagues learn to respect and trust each other. Persistence is a desirable attribute to ensure life-long learning. In learning organisations, people develop their capability to create the outcomes which are desired, and continually create the thinking patterns which guide people on how to learn together and to keep learning in the future. Cultural learning is very important in organisations. Learning about different cultures will help managers understand customers who belong to a different culture. This knowledge will develop leadership and improve management skills in organisations.

Jones et al. (2003) and Mujtaba and Thomas (2005) indicate that in learning organisations, managers and leaders tend to maximize organisational learning potential. Organisational learning is the process undertaken by managers to understand a worker's ability and desires,

and to try to meet their desires in organisation. In organisational learning, managers or leaders generally give the broad outline of a problem, and then group members share their ideas. The managers encourage brainstorming, and encourage everyone to improve their personal talents and skills. They spread and encourage systems thinking, because global organisations require them to change their assumptions radically. Global organisation managers and leaders realize that the organisation's development is effective and efficient, and they adjust their assumptions to suit the environment. They keep the organisation successful in a competitive market and are socially responsible.

Learning organisations encourage people to have a sense of community through an open and honest communication environment in which their involvement goes beyond their individual interests. Cross-cultural managers have appropriate cultural knowledge of local norms, customs, and beliefs that will help them effectively to work with different individuals in the world. Managers act according to the norms and customs of the country and local culture in order to win the hearts and minds of its citizens, regardless of their generational differences.

2.7 Cross-cultural communication

To quote Deresky (2006), communication is a process of transferring messages and information. There are different media used to communicate: words, body language, facial expression, material artefacts or hidden codes. Communication enables managers and workers to pursue the same objective of understanding; however, different communication styles and different communication skills will also influence communication results and effects. Harris et al. (2000) explains that communication is the heart of organisational operations and international relations. It is a useful tool for accomplishing tasks. Communication is a circular process, involving the transfer of information from sender to receiver, giving feedback to the sender. The sender or receiver may be a person or a group of people. The message is transferred by a medium or symbol, and includes verbal or non-verbal stimuli (or both simultaneously) such as oral, written, graphs, pictures, signs or body language. The following form will show the communication pattern and their usage rate. Table 2-4 provides communication skills and their usage rate.

Table 2-4: Communication skills

communication skills				
	listening	speaking	reading	writing
learned	1 st	2nd	3rd	4th
used	most	next most	next least	least
(%-100)	45%	30%	16%	9%
taught	least	next least	next most	most

Source: (Harris et al. 2000, 36).

Deresky (2006) explains that communication is a very important part in management, particularly in management of the cross-culture process. It will involve motivation, leadership, group interactions and negotiation. Managers use communication to disseminate information, motivate and give plans to subordinates. Normally people communicate with each other using their own language and style from a particular cultural context. When communicating with people from other cultural backgrounds, understanding the other's language and communication norms is important.

Cross-cultural communication will help people understand possible problems and effective ways to solve these problems. It also helps people to adjust their behaviour. Cultural differences will easily lead to misunderstandings in communication. For this reason, it is sometimes difficult to determine whether the culture of the company is the main reason for a worker leaving the company. Face-to-face communication is one effective way to solve conflict. In cross-cultural communication situations, patience and understanding are useful in avoiding hostility. Different approaches are necessary when communicating with different individuals. Managers satisfy workers' requirements in communication content as much as possible, and at same time emphasise their capabilities. Before taking action, people understand the situation clearly and take great care in exchanging cross-cultural information. Through communication, the company will gain insight into the worker's view of the company's cultural system and work environment.

Communication style will be influenced by culture; culture affects how people talk to others and how they express their own views. People tend to be more open and honest when talking to their close friends. When talking to others or to strangers, their approach will be different. These differences can lead to misinterpretation and misunderstanding. There are different skills to communicate with others, including explicit knowledge and tacit knowledge. Communication in a cross-cultural situation brings with it the possibility of causing a negative impact by receiving disapproval from those people in a different cultural group. When communicating with strangers, the tendency is for them to be judged according their projected character.

Explicit knowledge is using information and data to communicate. Tacit knowledge will be communicated using people's awareness and mental skills. Sharing tacit knowledge of a diverse group of people gain an understanding of their different backgrounds, motivations and perspectives, which can help to achieve effective communication (Fullan, 2001).

Some of the difficulties of cross-cultural communication include different dialogue styles and different understanding of the interaction process in different cultures. Cross-cultural communication will vary in presentation in different cultural groups. As people from different cultures share their diverse goals and values, this diversity can bring new ideas into the communication. In the communication process, people first predict and foresee other people's responses; when communicating with familiar people, it is easy to predict their response, but when communicating with strangers, it is difficult to predict their responses. Hambrick (1994) claims that communication within a homogeneous group is easier than within a workforce of diverse cultures, because in a diverse workforce people have less social coherence. Poor communication can result in distrust, more conflict, job discontentment, a high turnover of workers and more absenteeism.

Communication predictions are divided into three levels. They can predict responses from a cultural level, a socio-cultural level, and a psycho-cultural level. The culture level includes one's values and norms. Knowing people's values and norms well will help form better

predictions. The social-cultural level includes the information from people's social relationship members, and this data is very important for them in international communication situations. The psycho-cultural level includes the data of people's personality (Deresky 2006).

A manager can use their communication skills to convey messages, and the success of international business transactions will be determined by communication skills across cross-cultural boundaries. Different skills and knowledge to ensure a successful business negotiation that will lead to a successful business deal. According to Zhu et al. (2007), in a negotiation process, respect is shown between two parties and they both have responsibility to reveal their own cultural realities. The people can disseminate their cultural values through negotiations.

Chaney and Martin (2004) explain that cross-cultural negotiation is a process by which to achieve a mutual agreement and common benefit through discussion of variance and common interest issues with persons who have different cultural backgrounds.

Salacuse (1991) summarises following factors of international business negotiations. International business is influenced by the nation's policies, political authorities, laws, tax rules, and currency problems. Some of them are inconsistent, and some are totally different, their differences will influence business benefits and lead to unexpected losses or gains. International risks are another important factor businesses consider; their risks include war, revolution, and government change. In this situation, people have knowledge and insight of the social environment. The managers and leaders analyse risk, and protect their value through foreign investment insurance and other methods, according to the certain conditions. Different countries have different views on business profits, project investment, and personal rights. Before starting negotiation, businesses are aware of these different aspects.

When people communicate with others from a different culture, there is greater uncertainty in the prediction of responses. Reduced uncertainty will increase the accuracy of predictions through more knowledge of their culture and beliefs. There are some methods to gain useful

information: observe people from different cultures, learn related information and knowledge from different sources get information from direct interaction.

McCall and Warrington (1984) show three styles of negotiation such as pre-negotiation, face-to-face interaction and post-negotiation. Ren et al. (2002) referred to the psychological approach: this approach helps one to understand negotiator's personality and cognition. The learning method approach enables people to gain experience through past performance, which will influence their final results. The dual responsiveness approach is that wherein previous concession patterns and an opponent's concession rate will lead to a negotiator's response.

Parties involved in international negotiation deal with local laws, political authorities and regional policies and these issues may be inconsistent, or even contradictory. Cross-cultural negotiation is a learning process. Negotiators can learn cross-cultural knowledge from other parties. Woo and Prud'homme (1999) suggest that cross-cultural negotiation is the basic negotiation skill that improves the understanding of cultural differences and change negotiation when necessary.

Zhu et al. (2007) explains that the main barrier of cross-cultural negotiation is different behavioural expectations. Sabath (1999) indicates that diverse cultures have different ways to distribute power, and different attitudes toward hierarchy and authority. There is strong hierarchy system in China. A hierarchy system in an organisation sometimes brings negative influence on employment relationship. Organisational hierarchy in Chinese companies with high power distance results in poor communication and bad performance. The management level tends to get strong authority orientation and hierarchy sensitivity. The workers in Chinese organisations tend to obey and follow the hierarchy authority, because the managers like to control everything in their companies. The effective way to decrease the negative influence of authority is to decrease stress, which helps workers become more cooperative work with their colleagues.

Listen attentively, analyse the different behaviour patterns and respectfully to the other party

in cross-cultural communication and negotiation process will achieve to success.

Mead (2005) remarks that communication skills are very important skills in international responsibility positions. Managers have cross culture knowledge which helps them to lead their followers effectively.

Some other skills needed to communicate with others effectively include speaking slowly and using short sentences. Long sentences and complicated words may confuse the listener. Focus on the pronunciation and articulation of the words. Make sure the person you are speaking to understands clearly. Listen carefully to any questions they might have or to anything else they might like to express. Do not use uncommon words as the listener may have difficulty understanding the meaning. Be patient when the other person is speaking; try to understand the other person's situation and their meaning. Try to get complete points across to them or from them, and avoid disturbing them. Do not judge the other person's culture; respect his or her culture and avoid ethnocentrism by keeping an open mind and by accepting cultural difference. Learning the characteristics and dimensions of a culture and its communication styles will help to achieve effective communication. This will also reduce misunderstanding and the risk of making wrong decisions. Use humour carefully; humour is not accepted by all cultures and sometimes in formal situations or in business dealings; humour will influence communication negatively, because business communication is a serious issue in many countries. When communicating with people from other cultures you know their unique, personal characteristics and it is prudent that you improve your awareness of communication behaviours. We usually stereotype things automatically and unconsciously. We judge others according to our conscious awareness and particularly in terms of their individual stereotypical categories. Successful communication also requires good listening skills. Listen carefully and make sure you get the correct meaning, especially when attempting to solve conflict situations. It is sensible that managers listen very patiently, and then slowly think about their own responses. When communication is hostile, threatening and inflammatory, it is urgent that managers and leaders try to control the negative environment and reduce the possibilities of conflict. Personal relationships are very important for effective communication. It is wise that

leaders and managers try to create a close personal relationship with cross-cultural workers, if the workers are open to such relationships. These relationships will help them to improve mutual trust and honesty. Deresky (2006) suggests that when communication occurs across national boundaries between people, it is better if managers improve mutual trust, overlook differences, predict circumstances, avoid conflict, and use transparent ways to exchange information and messages.

The following skills will help to establish trust and create clear mutual benefit: keeping open communication and honouring commitments to others, striving to resolve conflicts, building close relationships through regular socializing.

Communication is an important tool to build relationships with people, especially people who have different cultural backgrounds. When working with people of different cultures, it is easy to be unaware of or to ignore their different customs, thought patterns, beliefs and values. People can develop trust and respect when communicating with each other, but people usually have more confidence communicating in their own language, and they also feel more comfortable when communicating with people from their own cultural backgrounds. Openness will reduce the tendency to stereotype, and the communication process needs to focus on external world perspectives and the shared environment. In the communication process, the managers and leaders also solve conflicts. Conflicts can be viewed from different perspectives such as an economic perspective, cultural perspective, religious perspective and so on. Understanding the views of the other parties in the conflict will help to create effective communication. When Chinese managers face conflict, they will solve conflict in a private office, not argue with their workers in public. This will maintain a worker's self-esteem.

Ayoko (2007) points to cultural diversity associated with different relations in conflict situations. There are major effects of conflict: breaking mutual understanding and good relationships; and influence on communication effectiveness and completion of the group goal.

Different views of the task will lead to task conflict. These conflicts prompt the asking of questions and encourage people to create solutions innovatively.

Conflict is a normal part of all relationships. It is important to build healthy relationships in the social environment; it will help people understand the situation in depth and will create new methods of solving problems. Some complex conflicts are created when people feel that their traditions have been violated or some harm threatens their culture.

Ayoko (2007) explains that conflict in the organisation will lead to distrust, sensitivity, negative emotions, and will strongly influence the work process and outcomes.

Information in a large range of issues needs to be collected by managers and leaders when conflict that is more complex arises. Through analysis of this information and knowledge, an attempt be made to identify a plan to confront and solve these conflicts. In solving conflicts, managers and leaders cannot approach the issues from one perspective only. They see the problem from many perspectives, and in defining problems, they use an appropriate methodology. They cannot use their stereotypes or biased views to define problems. They are able to 'stand in the other people's shoes' and see things from their cultural perspective. That is the effective way to solve such conflicts.

Language is another significant element in cross-cultural communication. Language is a functional tool with which to communicate with people. It includes verbal language and body language. People from different cultural backgrounds normally have different languages. In South Africa there are many different languages including Afrikaans, English, Zulu etc. Before conducting business in another country, learning and using the language/s of that country fluently is very important in communicating with the local people. There are 56 minorities in China, which gives rise to different languages. Some body language and hidden language that are codes of local people is another major barrier in communication. In a western country, when females and males hug or kiss each other, it shows friendship, but in China, this is unacceptable, except if they are couples. When talking with Chinese people, keeping eye contact shows respect and shows that one is paying more attention when listening to another person. When Chinese people want to end their discussion, they will glance repeatedly at their watches.

Language learning needs long-term and ongoing studying. Managers will find it beneficial to encourage and motivate workers that have an interest in different languages to learn and study it. They can also organise some training programmes or workshops to develop language learning, not only to help in effective communication, but also to facilitate better relationships.

Cross-cultural communication skills will help managers learn from disagreements, reduce conflict situations and encourage more interactions and information-sharing in a cross-cultural workforce, leading to higher task performance in the organisation. Successful cross-cultural managers are flexible and adjust their communication approaches to meet the requirements of the receivers.

2.8 Chinese culture and Chinese business culture

China has more than ten thousand years of history and a rich cultural heritage that can be seen in its customs, religions and traditions. Chinese culture gives Chinese people who live in China the fundamental individuality with stable core values. There are some major value systems influencing Chinese moral standards, behaviour and sense of identity, with unique values that also influence Chinese business culture. These include Confucianism, Taoism, and Buddhism, as a majority. The Chinese have a different world perspective and this influences attitudes and behaviour that is different from that displayed by people from western countries. Chinese people maintain modesty and value continuous learning.

2.8.1 Chinese culture and business culture

Chinese culture can be defined as relationship-oriented or socially-oriented. Personal relationships and social networks play an important role in Chinese cultures, especially in business practice. Fan (2000) states that Chinese culture is formed by core values which belong to ordinary Chinese people when they interact in a social system, and all these values contribute to keep stable and harmonious along with the development of the country for a long period of time. Nowadays, Chinese culture is mainly influenced by three major elements such as: Chinese heritage culture from extensive Chinese history; communist ideology; and some western culture.

The Chinese are punctual; they associate time with money. Thus, Chinese people try to be punctual for any occasion. Most Chinese people have characteristics of reticent and reserved. . When greeting, Chinese people briefly shake hands and give a slight bow in an appropriate way. They do not like people touching or slapping them on the back. They keep fair distance between strangers. The Chinese always mention the surname first because the collectivist spirit is very important in China. Lewis (1996) confirms China has higher collectivism; it comes from early agrarian economics and was developed in the teachings of Confucius. Chinese people have obligations to four basic groups consisting of family, school, the work unit and community, wherein the collective benefits are more important than personal benefits, but in nowadays the increased capitalism, some Chinese people become more individualism, especially in business activities.

Chinese and some East Asian countries are influenced by Confucian values, and religions such as Buddhism or Islam. Lewis (1996) lists some specific values of the Chinese including cautiousness, gentleness, honesty, modesty, piousness, purity, impartiality, wisdom, diligence, hard work and continuous learning, responsibility for family and work, respect for people in high positions, respect for the elderly and powerful people, duty conscientiousness and gratitude for others' help.

Chinese philosophy is an essential part of Chinese culture; it provides abundant wisdom. In today's business world, Chinese business people, even Western business people all apply Chinese philosophy. It reveals itself, especially in the field of leadership, motivation and organisation. There were some notable philosophers including Lao Tzu, Sun Tzu, Mencius, Chuang Tze, and Confucius, all of whose teachings have had a tremendous influence on the Chinese civilization, life, culture and society.

Confucianism is one of the great philosophies of the world and it strongly influences people's daily lives and business culture in China. Hill (2006) defines the Confusion ideology created by Confucius 2000 years ago in China. Confucius indicates that there are no equals in

Chinese society; people's sacred duty is keep their loyalty and obligations to their superiors. Confucianism is a standard of basic behaviour and moral practice. It is a very important thought system, which forms the base of Chinese tradition and still influences people's personal behaviour today (Fan 2000). Confucianism emphasises authority, order, loyalty, harmony and personal relationships. Confucius' teaching is based on human relationships, social structure, personal behaviour and work ethics.

Lewis (1996) indicates some basic teachings of Confucianism: in a social system, family is the basic unit, people belong to collective groups, keeping honest relationship with others, education and hard work is respected and prized. People are calm, patient and avoid extremes and indulgence.

Confucianism provides the rules for people's individual, social behaviour, adjusting the interactions of people in the social process. The fundamental elements of Confucianism include five virtues: "humanity, righteousness, propriety, wisdom and faithfulness" (Chen, 1986; Fan 2000: 4). Elashmaxi (2001) explains that the Confucian moral principle is the centre of other values and historically of Chinese culture. This core cultural teaching is the norm for all Chinese sub-cultural groups. It includes whole-hearted loyalty to authority, based on a hierarchical structure with duty to the parent, strict order, and respectful conduct between children and adults, as, for example, the roles of husband and wife, and trust between friends. Most Chinese who live in other nations preserve these principles, whilst adopting other values from their new country.

Lewis also summarised other factors that influence Chinese lifestyle and business culture, for example, Taoism's insistence on a healthy lifestyle, vegetarianism, generosity of spirit, and Buddhist harmony through meditation, ancestor worship and with past figures strongly influence present actions.

Feng Shui is a belief in the generative power of the elements of wind and water. The relationship between these elements affects decisions on many things from building to the

arrangement of furniture, mirrors and doors. Herbal medicine and acupuncture are frequently used.

All of these important philosophic thoughts have a tremendous influence on Chinese people's daily life and behaviour. They provide the moral standard that improves cohesion and continuous harmony in the social environment, and protect people's mutual relationships.

The Chinese have unique characteristics of culture and have a specific business culture that is different from western countries. This business culture is an important element for business success, builds long-term business relationships with partners, and protects reciprocal obligations. Lewis (1996) lists some core beliefs and their effect on business as follows: Chinese have higher power distance and tradition of obedience formed by 4000 years of power centralization; powerful people have authority to control and manage less powerful people, and have the responsibility to protect and take care of less powerful people's careers and welfare. Chinese people are educated to respect and obey their parents, teachers, bosses and people in higher positions. Chinese managers have privileges and keep long-term orientation with partners, they tend to maintain harmony and integration in the working environment; subordinates will follow their manager's order and achieve an organisation's goals. All these values are based on the teachings of Confucius and Buddhism.

According to Lam and Graham (2007), interpersonal harmony is important for business success. Confucius also mentions that interpersonal harmony is the key approach to peace. When doing business, keep smiling. For Chinese people, a good relationship is very important between partners in business, and it is essential for successful commercial negotiations. Politeness and indirect communication are paramount, and direct refusals are rare. When negotiating with Chinese people, if they disagree, they do not say "no". Instead, they change the subject, keep quiet, or ask questions. They use ambiguity and vague expressions to placate.

Cultural beliefs and traditions play a major role in Chinese culture. They also influence the Chinese business culture. Some cultural concepts are very important for business success and

for the creation of harmonious relationships. These include concepts such as Guan Xi and Mian-Zi.

Guan Xi means people's mutual relationship, connections and social networks that include friends, relatives, colleagues, classmates, and people with shared interests. Hill (2006) explains that in Chinese culture, Guan Xi means relationship. It also means connection in a business setting which, influenced by philosophy of Confucius, values social hierarchy and reciprocal obligations. Guan Xi involves reciprocal gifts and favours. Favours are usually acknowledged and returned. This reciprocal relationship works well in building long-term personal relationships or businesses relationships. Chinese people prefer to work or to do business with familiar and trustworthy people. The right Guan Xi will ensure business success and help maintain harmonious relationships. Guan Xi influences the negotiation process and influences a future business relationship. This relationship is placed in danger when people ask for great personal favours. This is called bribery in a western country.

Mian Zi means keeping respect and maintaining one's reputation or credibility. Confucius originally mentioned Mian Zi. Mian Zi means recognizing one's social status and moral reputation, and paying them respect. Mian Zi is also defined as ego, or self-respect - it can be saved or lost. Saving one's reputation involves keeping our self-respect in front of others, and losing one's reputation involves us being looked down upon in front of others. According to Lam and Graham (2007), Mian Zi means credibility or social capital. The concept of Mian Zi in China has the same meaning as self-esteem or status in America. Mian Zi is a person's prestige in his or her own network in society. It can display their worth and degree of acceptance in society. Reputation can be gained, lost, given, earned, or taken away. Breaking promises, displays of anger, or other disreputable behaviour can cause your client or business partner, to lose your reputation. Public praise and social recognition are the means for giving a business partner a good reputation. Reputation is very important for building relationships, especially in cross-cultural communication and in the negotiation process. In negotiation process, assigning credibility means showing respect for one's negotiation partners' moral reputation and status in society (Zhu and Ulijin 2005; Zhu et al. 2007).

Personal relationships are very important in Chinese culture, even in the business culture. The Chinese tendency is first to develop personal relationships before doing business. They will develop this relationship by not talking about problems directly and by avoiding confrontations. Giving gifts will preserve and strengthen this relationship.

According to Fu (2000), gift exchange is a social activity and part of etiquette in China. It shows a polite and respectful attitude to people, and can develop good relationships between people. It enhances the possibility of creating long-term relationships. Gifts can be given for any purpose and any occasion, particularly when people seek favours. Gifts are sent to people with whom you have working or social relationship. One of the reasons to establish personal relationships is to avoid losing credibility. In China, the importance of long-term relationships may make managers ambivalent about the effectiveness of using an exchange of gifts, as it is complicated in China to determine the appropriate form of exchange. According to Fang (1999), Confucianism emphasises people's righteousness and moral accomplishment more than profit. This characteristic explains why Chinese negotiators do not rush into formal discussions, but take a significant amount of time to build relationships and trust with partners. Zhu et al. (2007) point out that building trust successfully is a very important factor in the process of exchanging task-related information. When doing business with the Chinese, one remember that business negotiations are more about moral feelings and trust relationships. Knowing the character of your business partners is very important in business success.

The Chinese follow a strict hierarchical system, especially based on rank; Chinese people have a strong collectivist culture. They focus on the goals and needs of an organisation, and try to preserve harmony in the organisation and maintain good relationships with colleagues.

Family enterprises form the majority of Chinese business enterprises outside of China. Chinese have strong ethnic and clan affiliations. Family business is the original business style; these businesses are normally created by clan associations and homogenous cultural groups. The owner in this kind of business is older and experienced in small-to-medium scale business trading. The owner has high power distance, making decisions with their intuition, and creating strong transaction relationships with customers and financial institutions. Different values and

visions of shareholders will influence tension in management. A systematic management process is used in Chinese family companies, because they think public accountability, shareholder values and profits are more important, and subsidiaries and associate companies are uncommon (Bhaskaran and Sukumaran 2007: 59).

Lewis (1996) describes some of the typical Chinese behaviour at meetings and negotiations. Chinese prefer a formal meeting style and seating according to hierarchy. Business cards will be exchanged during the meeting. The chairperson or deputy chairperson is the important decision-maker, and they shown great respect and attention. Information concerning the meeting time is made available and the outcome of the negotiations will be announced after the meeting. Chinese maintain politeness at all times and avoid confrontation so as not to lose credibility. Collective culture prevails in China, and authority is not passed downwards from the leader, they prefer to build mutual interest when in discussion or negotiation. The Chinese are thrifty, cautious, patient and tenacious. It is wise for negotiating partners to know these characteristics. Chinese make decisions tend to keep collectivism which is different from the individualist culture; Chinese are more concerned with the harmony and allegiances in and outside of the group (Zhu et al. 2007).

Lewis (1996) describes the Chinese concept of time as non-linear; it is cyclical. Each day the sun rises and sets, and the seasons follow from one to another. People grow old and die, but their children repeat the process. As many Asians are keenly aware of the cyclical nature of time, making business decisions is different from how it occurs the West. Asians often make quick decisions or treat a current deal on its present merits, irrespective of what has happened in the past. Chinese, like most Asians, are sensitive to the value of time, especially when they take up other people's time. Their attitude is frequently to apologize. It is customary, after a meeting, for the chairperson to thank participants for their precious time. The Chinese will provide useful and valuable information to trustworthy people that facilitate negotiations. In the many kinds of cross-cultural situations, there are three main factors at play in the negotiating process. These factors also influence the communication style. These factors are individualism, collectivism and power dynamics (high or low contexts). People in high context

cultures are not likely to broaden their minds. Thus, they do not pay attention to the hidden meaning of contexts. These different dimensions will lead to different communication styles in the cross-cultural negotiation process. Hofstede and Bond (1984), mentioned by Zhu et al. (2007: 357), explains power distance as “the extent to which the less powerful members of institutions and organisations accept that power is distributed unequally.”

Some differences between western countries and China are as follows: China and Western countries still differ greatly in the development of their economies, their social structures, political implementation and their legal systems. Compared with managers in Western countries, Chinese managers have greater power distance, highly value the avoidance of uncertainty, use collectivism, focus on long-term orientation and accept femininity. Western countries managers are more masculine, short-term oriented, individualistic and accept uncertainty (Fu 2000).

Fang (1999), mentioned by Zhu et al. (2007), points out that Confucianism has more respect for human righteousness and hard work than their profit, and in theory, Chinese businesses abide more by sincere moralistic notions than legalistic contracts. Chinese business negotiations follow these guidelines: they do not enter a formal contract discussion at beginning of business negotiations; they tend to create trust and a friendly relationship, and maintain long-term orientation with business partners. Confucianism also advocates that knowing your partners well is much more important than being known by others.

The collective nature of Chinese society influences the Chinese management style. Traditional cultural values, benevolent styles of dealing with subordinates, and strong attachments to collective action forge Chinese approaches to management. The relation-based system that evolved in China to mediate between the individual and the collective aspects of social life remains a pervasive influence in Chinese organisations (Ramamoorthy and Carroll 1998).

2.8.2 Chinese management

Chinese managers have different worldviews in comparison with Western managers, and have different approaches to dealing with the relationship between personal and organisational relationships. They view the workspace and time schedule very differently. A Chinese manager's behaviour is high-context in nature. They try to maintain harmony in the environment and preserve long-term relationships with colleagues (Mead 1994). These characteristics result in the unique communication styles and thus unique approaches to solving conflicts and management practices in Chinese organisations.

Chinese management follows a hierarchy system in which people show respect to people in high positions and managers in authority, particularly in state-owned organisations. These kinds of companies motivate workers and encourage workers to participate in decision-making. This management style will be effective in communicating with workers and collecting their feedback concerning work, and better in generating innovation which suits the competitive market. Deresky (2006) explains that management styles in China are focused on family, and human centeredness and centralization of authority. The human-centred management will put the business partner relationship first. This relationship will be created by people's honour, trustworthiness, and friendship, and when a friendship is established, it tends to develop towards long term co-operation, however family centralization will tend to small business conducted by family.

Particularism and collectivism influence Chinese managers to practice their management, which shapes their thinking, and result in higher levels of patience and tolerance for ambiguity. Chinese managers tend to focus on the details of the situation and ignore general rules, policies and principles when solving the problems in the work place (Borgonjon and Vanhonacker 1994). Currently, management still use values from traditional culture, such as tolerant when dealing with subordinates, increase the workers' collectivism, and they view work place as a family (Berrell et al, 2001).

In Chinese management style, the implications attached to collectivism are very important, given the influence of culture. Chinese managers are inclined to resist or discard knowledge about participative styles of management, leadership and their associated concepts. The probability also exists that Chinese managers will reject impartial approaches to managing their workers. The Chinese managers have unique ways to practice management, communicate with followers, and solve problems and conflicts within groups. They tend to keep their credibility by focusing on group welfare, co-operative relationships and harmony in an organisation (Weldon and Jehn 1996).

When Chinese managers conduct business in foreign countries, they encounter many barriers of communication with a foreign workforce. The biggest barrier is language and different cultural practice. These days, most Chinese business entrepreneurs who conduct business in a foreign country still speak mostly Mandarin and Cantonese. Most of them can speak a little English, but few of them can speak English fluently. Many workers speak Zulu in KwaZulu-Natal and some of them have a low level of English education. They cannot speak English well, which makes it difficult for workers to communicate with Chinese managers. Therefore, Chinese organisations focus on teaching and training all managers and workers to speak English, or employing an interpreter who can speak English, Chinese and advisably Zulu in KwaZulu-Natal.

The other barrier is tradition religion. Most Chinese are Buddhists which is different from South African religions include Christianity, Islam and Hinduism. A Chinese manager learns about these religions and understands the differences between these religions. It is best to respect these religions and avoid, for example, asking Christian workers to work overtime on Sunday, as every Sunday is a holy day for Christians when they go to church.

Muslims have set times for prayer every day; organisations provide special rooms for these prayers. In the day-to-day working process, the managers avoid anything that could be construed as being against these religions. South Africans tend not to have a very strict time schedule. As Chinese managers consequently plan their time to create a reasonable time

schedule that will secure the productivity of organisation. Chinese managers like to use the traditional Chinese way to solve problems even in cross cultural organisations. The way of decision-making and authority of hierarchy have great influence. Top managers and leaders usually make decisions in an organisation. The followers are advised to obey these rules and decisions; managers are not open to alternative viewpoints which will help avoid trouble. In South Africa, a worker's promotion and self-improvement will rely on their individual capability, skills and analysis of their working performance, however in China; it is "Guan Xi" in the personal relationship that is very important for their promotion and self-improvement.

2.9 South African social and business culture

South Africa has great differences with China in political and economic systems, social values and business culture. The following content will give more detail on social and business cultures.

South Africa is described as the 'Rainbow Nation' as there exist diverse groups and many sub-cultures in this country, and the people in this country are aware of their divisions of ethnic and ethnic differences. Thus, organisations which cross these cultural boundaries find it difficult to build a unified team. However, despite these boundaries, all South Africans share a love of their country (Lewis, 1996). According to Robbins et al. (2003) South Africa is a multicultural community; they have multiracial and ethnic groupings. Eleven different official languages are used within the boundaries of South Africa. Many misunderstandings and conflicts occur due to misinterpreted actions of people from different sub-cultures in South Africa. These cultural differences will influence negotiation strategies.

South Africa has a population of 50 million people, comprising of 79.5% Black, 9% White, 9% Coloured, and 2.5% Indian people (Statistics South Africa, 2011). Black Africans have nine tribal groups, the largest one being the Zulu tribe. Black South Africans hold the core position in society and dominate the development of the nation's future. Every ethnicity has its own culture, including different languages, religions and customs. They also create a unique new

culture in South Africa which helps people from different ethnicities exist in social environment.

Religions in South Africa are: 80% Christianity, 1.5% Islam, 1.2% Hindu, 0.2% Judaism and 0.3% traditional beliefs, (Census, 2001). South Africa has 11 different languages; however English is a common language for communication throughout the whole country. Other languages include Afrikaans, Xhosa, Swazi and Zulu. South Africa is a potential market, and it has a good investment environment. There are many variables that affect upon business practices in any country including laws, market structures, cultural values and language differences. These factors can affect every aspect of management, including communication, motivation, worker development, business strategy and ethics. The following cultural and business guideline will help Chinese managers understand South African social, cultural and business environments.

There are different greeting styles in South Africa. Most South Africans make eye contact when shaking hands or greeting, and they smile when meeting foreigners. Women always nod their head when greeting people. It is better to wait for women to extend their hand first before shaking hands. A man may kiss a woman on the cheek, instead of shaking hands, if they know each other well. Greetings may include reference to social issues or may simply involve an exchange of pleasantries. South Africans prefer to establish long-standing personal relationships that extend beyond the business transaction itself. The initial meeting will establish a business relationship and mutual trust but things such as deadlines are regarded as fluid. The senior manager will make the decisions after discussion with colleagues, making the negotiations slow and protracted. South Africans like working in a harmonious environment and they try to avoid conflicts. Formal introductions will help your company or organisation gain access to conduct business. Building mutual trust and networking are important for long-term business relationships and success. South Africans strive to obtain consensus when conducting business discussions and negotiations. Most South African businesspersons prefer face-to-face meeting rather than communicating via email, letter or telephone. It may be difficult to meet important people at short notice, and it is better to avoid meetings during

Christmas and Easter vacation times (Facts and statistics).

South Africans have a different attitude towards time and its usage. South Africans spend a great deal of time in day-to-day discussions, possibly because of their culture and some individuals are less constrained by deadlines and appointments. Those who negotiate with labour unions have also reported that managers will get used to long time delays and drawn-out discussions about trivial topics. A sense of urgency is lacking in the South African business environment. Meetings do not start on time and people may arrive several hours late for meetings or events. Foreigners often misinterpret this as laziness, untrustworthiness, a lack of seriousness in business conduct, or even a lack of interest in the proposed venture. However, lateness in meetings is perceived as part of the African life-style. It is understood among friends that even though everybody may agree to meet at a given time, they will not actually meet until much later. However, when Africans are dealing with foreigners, they normally try to be on time out of respect for the non-African's concept of time. Time is considered as being flexible, or segmented. Anyone in a hurry is distrusted or viewed with suspicion. People who conduct business according to rigid time schedules are likely to be unsuccessful in Africa (Harris, et al 2000).

Before attempting to do business, they will know well in advance about their partners. South African traditional cultures tend to concentrate on the past time; there is very little consciousness of time flowing and there will be no haste in mind. Knowing people's attitudes towards time can provide valuable insight into their approach towards deadlines, planning for the future, determining the duration of assignments, and being punctual. In traditional South Africa business, senior managers have power and authority to make decisions, and the middle level managers will follow their guidance. When the African National Congress (ANC) gained political power in South Africa, apartheid started to change. The hierarchies changed and younger middle managers started to proactively participate in decision-making. (Spierenburg and Wels, 2006)

Individualism is emphasised in South Africa. In the Hofstede model, South Africans have

high rankings in most of categories. In the long term, South Africans have very little ranking; they display a high degree of individualism, so they prefer to maintain short-term relationships than long-term relationships.(Hofstede,1994).

Organisations in South Africa deal with challenges from many directions, including becoming global players in global markets, adapting to new labour laws and implementing advances in information technology. In this regard, structures, processes and systems are aligned to be competitive with world-class organisations and multinationals. Robbins et al. (2003) and Human (1996) indicate that in South Africa, the majority of the population tries to preserve a sense of national unity. They attempt to manage diversity and the redistribution of wealth, opportunity and authority effectively. In South African organisations they manage diverse workforces effectively for the most part and this results in the country's stability, prosperity, and harmonious development. Managing a diverse workforce requires managers to respect and not discriminate against people of different gender, ethnicity, and cultures. It would be advantageous to measure workers' performance in an unprejudiced and meaningful way and give rewards equally. In this regard, managers acquire special capabilities to perform their managerial roles effectively.

In South Africa, managing a diverse and cross-cultural workforce correctly is important for business success, in order to reduce conflict and build a harmonious working and social environment.

2.10 Conclusion

Leaders and managers in Chinese investment organisations in South Africa not only display global management, quality and intelligence, but they also understand South Africa's native culture and subcultures and the workforces' various backgrounds, religions, beliefs, habits, and diverse etiquette requirements. Over and above mastering an understanding of culture, effective verbal communication with the local workforce and gaining a grasp of management and leadership styles in South Africa, leaders and managers are advised to possess good

observation and learning skills, and have the capability to interact with South African people.

In this way, managers can help to eliminate cultural discrimination by fostering attitudes of tolerance, patience and accommodation towards cultural differences. As leaders and managers, it would be valuable to be flexible in the way they attempt to integrate their traditional culture in a creative way into the new organisational culture that does not clash with local business practices. They also spread the values of their own culture to workers of very different cultural backgrounds. This is done in an attempt to improve mutual understanding and tolerance, and it is useful to also encourage communication that is more effective. Through supporting continued learning and training in cultural studies, they can promote harmony and friendliness in the working environment. This will help them to effectively lead and manage a diverse and cross-cultural workforce and this will put them in a better position to achieve the organisation's goals.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

This chapter will deal with the research design and with the kind of research methodology that was used to answer the research questions. Sample selection and methods of data collection will be discussed. An indication will also be given of how the study results were analysed and how other study objectives were achieved. This research investigated the cross-cultural management acumen of the managers and leaders of Chinese investment organisations in South Africa. The data was collected from the people who were in a position to provide the required information and who understood the situation.

The research method is the way that the researcher sets about answering or solving specific research questions that will enable them to make decisions quickly in a dynamic environment (Cooper and Schlindler 2003). According to Charuri and Gronhaug (2002), research methods facilitate the gathering of the data in an orderly and organised way so that they can use this information to solve the relevant questions. Some important reasons for using the appropriate research methodology are as follows: it shows how the researcher gets the results, which enables others to evaluate these results; it shows how insights were logically acquired; it is a communication tool; it shows the rules and procedures used, which helps others to replicate the study or criticize the approach chosen and the reported findings. The essential foundation of research methodology is a tool or means to proceed with research in order to provide a solution to a problem.

3.2 The design of the research

The design of the research refers to the entire plan of the research procedure. It helps the researcher find the best possible way to answer the research questions. The research design accord with the researcher's time, budget, and skill constraints (Gharuri and Gronhaug 2002). According to Cooper and Schlindler (2003) research designs have some important elements such as time, budget and the research questions. The design guides the researcher in the

selection of relevant information and sources of such information. The research design is an outline of the research process that builds a relationship between the research variables. This research will use both quantitative and qualitative research methodology to explain the important element of cross-cultures and how these variables influence the management style, business culture and organisation culture. According Tashakkori and Teddlie (1998), the combination of quantitative and qualitative research methods in a case study will help the researcher understand complex problems more easily than when using one method only. It will help to understand cross-cultural management and cultural influence more comprehensively.

In quantitative research, the design involves a series of processes that design, execute and investigate measurement activities that will help the researcher to find solutions to answer specific organisational questions or minimise the problems (Sekaran 1992). The quantitative method finds out the reasons for social phenomenal changes, from which conclusions can finally be drawn and generalizations can be given. The quantitative research in this study will give the appropriate information and explanation about the culture, cross-cultural concepts and cultural management theories. The data from quantitative research will be used to examine the results of the research. The questionnaires in this research are used to record Chinese management styles of cross-cultural management research in the local situation.

Qualitative research is used to give the research problems complete and detailed descriptions. It can also explore a person's experience and group's behaviour, and it helps a researcher understand a phenomenon. It also helps them find out the details of social events and human behaviour, and it is commonly used for studying social groups and individuals through interviews and observations. Qualitative research is always used in phenomenological research, which gives the translation and explanation to phenomena of specific situations. In this research, it will help the researcher understand the Chinese management styles and their cultural contents in global companies in KwaZulu-Natal, and it will give complete and in-depth communication about the issues faced by the companies. It guides researchers to concentrate on cross-cultural variables, and how cross-cultural intelligence influences the effectiveness of management.

Through the advantages of both quantitative and qualitative research methods, the researcher understands cross-cultural management and the causes of phenomena in depth.

3.3 Case study and questionnaire design

A case study is a useful tool in qualitative research. Patton (2002) describes a case study as an effective way to collect, arrange and analyse data. It is a process to investigate real life problems and, through analysing data, can achieve a deep understanding of the systematic information of a case. This research used a case study approach, which involved trying to answer the research questions within two Chinese investment companies in the province of KwaZulu-Natal in South Africa. Case studies help people collect information about real problems, and these cases will provide results that can often be generalized. In this research, each case provided different information and insight into cross-cultural management style in the local work environment.

Through data collection, investigation and analysis of the case study, results can be used to explore the reality and situation of the organisation. The researchers in case studies collect related information concerning the case and investigate the context before data analysis, predicting the tendency of other cases to be undertaken (McNamara 2008). The cases studied in this research give descriptions and explanations of issues in real situations, which represent similar cases.

Case studies are based upon data collection and research. There are many effective methods to collect data including documentation, questionnaires, interviews and observation. This research will use a questionnaire to collect data and information. Questionnaire design is a process to get data resources and help for further analysis, and is thus a very important issue in research. Using questionnaires has some advantages: responses can be obtained in a relatively short period of time, as opposed to interviews; it is not costly; it needs fewer skills than in interviewing. There are two questionnaires in this research; one is a workers' questionnaire, the other is a managers' questionnaire.

There are some important steps in questionnaire design: choose suitable variables which are based on concepts and theories, and give the measurement standards; design questions according to the research purpose, formed by research problems which are based on the nature and objective of the research; use the appropriate sample size, predict the response rate, then find a suitable way to collect data; set the questionnaire by determining the kind and order of questions, and construct questions based on their numbers and length; test the questionnaire before application to find out the limitations, then redesign the questionnaire; apply the questionnaire at the most appropriate time (Hair et al. 2003).

In this research, research problems are designed according to the variables of cross-cultural management and some of the phenomena influenced by cross-cultural factors, such as management styles, communication barriers, cross-cultural conflicts, culture intelligence, and acquiring cultural knowledge.

Questionnaires can consist of prepared questions that researchers can use for recorded interviews. The worker questionnaire is set in Zulu, English, and Chinese. The Zulu was translated by a Zulu student from the University of KwaZulu-Natal (UKZN). The Chinese was translated into English by the researcher and corrected by a professor from UKZN. The manager questionnaire is in English and Chinese. The questions are both open-ended and closed questions. Open-ended questions encourage participants to give meaningful and useful answers according to their own experience and feelings (Sekaran 1992). In this research, the primary source of data collection is closed questions. Closed questions will give interviewers or respondents limited choices; this helps them to make quick choices from these options. It also helps the researcher to interpret the answers and analyse these interpretations subsequently.

3.4 Population and sampling

Populations are whole groups of people, things or issues which researchers are interested in investigating (Sekaran 1992: 225). According to Cooper and Schindler (2003), when

researchers choose a population, they normally collect all elements that people are interested in, and want to understand the problem through conjectures. Chinese investment organisations and companies in KwaZulu-Natal are the target population in this study. Given the time constraints and a limited budget, the research could not cover the entire population. Using a sample was therefore necessary. Some advantages of sampling are that it is quicker, cheaper, and easier to get accurate results.

A sample is the part or subgroup of the population. It consists of a smaller number drawn from the total population. A sample contains elements of the population that will represent the total population (Sekaren, 1992). Sampling is a statistical step which will select the representative samples from the entire population. It expresses the interests of the entire population. Sampling is better than using the whole population; it will collect dependable results in limited shorter time and have a lower chance of errors than the entire population.

Sampling procedures include two different types: probability samples and non-probability samples. Probability samples have an equal chance of being selected by researchers. Non-probability or convenience sampling was used for selecting samples in this research. Non-probability sampling does not use a random selection process; the samples are selected on purpose and to the convenience of researcher. Convenience sampling is a common technique of non-probability sampling. It is easier to gain samples, and it is cheaper and less time consuming than other techniques.

Most Chinese investment companies in KwaZulu-Natal are textile or clothing companies, and are small or medium sized, so this study includes one medium sized clothing company in Mandini (KwaZulu-Natal) and one small sized textile company in Ladysmith (KwaZulu-Natal). The clothing company had 167 workers in May 2008. All of its workers participated in answering the worker's questionnaire. 136 valid responses were received, which is about 81% of the total number of workers. All seven managers completed the management questionnaire. The textile company had 25 workers. All the workers and four managers participated in the questionnaire, all of these responses were valid.

3.5 Data collection

The method of data collection is one part of research design. There are several methods of data collection including interviews, questionnaires, and observational surveys. A defined data collection method can help a researcher obtain accurate data, on which proper decisions, with reduced error risks, can be based. Getting data sources is the first step of data collection; data sources can be primary or secondary. Primary sources can be from questionnaires, individual interviews, group interviews and respondents who may have insight into specific problems and who may be consulted at different times by the researcher. Secondary data is from second-hand commentary and analysis; the researcher collected data from published books and journals, company records, government, industrial or media reports, or from some other hard copy or electronic sources.

This study used primary data sources. Sekaran (1992) mentions some advantages of using primary data: primary data collection will provide particular sources of information that are more reliable and more relevant to use for achieving the research objectives and for addressing the research problems. There are also some disadvantages to using primary data sources. Primary data collection takes a long time and can be costly. It is also difficult to sometimes find a sample consisting of people who are willing to participate and able to respond effectively. Another difficulty is that the researcher needs to use proper tools, procedures and methods for the analysis, otherwise the reliability, validity and applicability of the study will be compromised (Chauri and Gronhaug 2002). The primary data obtained helped the researcher acquire the relevant information for this research. The data was collected through questionnaires, which the owners of the two participating companies helped distribute and collect. Because the workers had no spare time during their work time, they completed the questionnaires at home.

CHAPTER 4: DATA ANALYSIS AND FINDINGS

4.1 Introduction

In this chapter, the main purpose is to analyse the data collected, report on the findings of the study, and present the results of the questionnaires. After collecting the data, it needed to be checked for its comprehensiveness, consistency and accuracy. This process eliminates or reduces the errors of raw sources. In interpreting the data, each response was assigned a numerical score systematically and consistently. The figures were then analysed using the Statistical Package for the Social Sciences (SPSS). Data analysis includes examining, categorizing, formulating and reorganising the results to indicate the initial suggestion of a study (Yin, 1994).

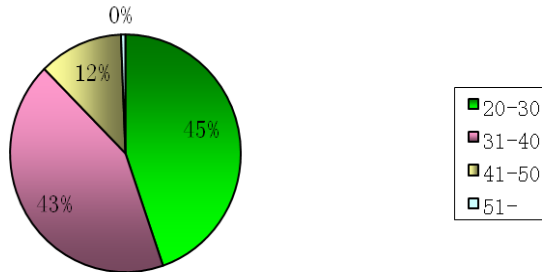
There were 193 workers in two companies in June of 2008. All of them participated in answering the questionnaire, and 161 workers gave reliable responses. In this study, the responsive workers are about 83% of whole population. There were 11 managers in these two companies and all of them participated in responding to the relevant questionnaire.

4.2 Frequency distribution

Frequency distribution shows the number of responses in each question. It is used to illustrate the demographic aspects of the respondents participating in this research. The demographic aspects will involve workers' gender, age, working years, nationality, and language and communication barriers. It also includes managers' gender, age, working years, ethnicity and position in working place.

Figure 4-1 Workers' age group

Workers' age group

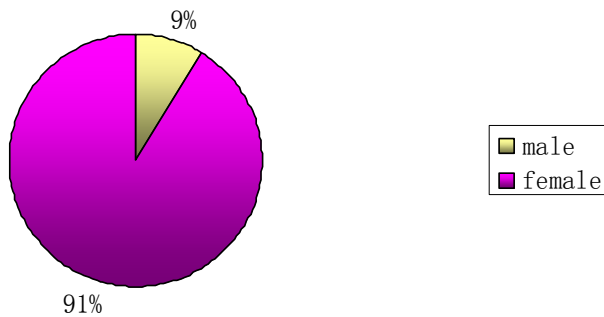


Age Group (years)	Percentage of Workers (%)
20-30	44
31-40	43
41-50	12
51 and above	1

This figure shows that the age group of workers in these two companies is mainly in the 20-30 age groups. The next group with the most workers is in the 31 to 40 year old age group, with those above 51 years old only representing a low percentage. This means the age group of workers in these two companies tends to be in the younger grouping.

Figure 4-2 Workers' sex

Workers' sex

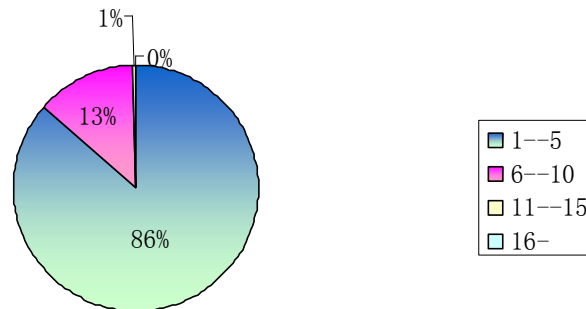


Sex	Percentage of Workers (%)
Female	91
Male	9

This pie chart indicates that in these two companies, most workers are female; only 9% are male. According to Vlok (2006), the clothing company offers a significant opportunity for workers, especially for women, in South Africa.

Figure 4-3 Working years of workers

Working years of workers



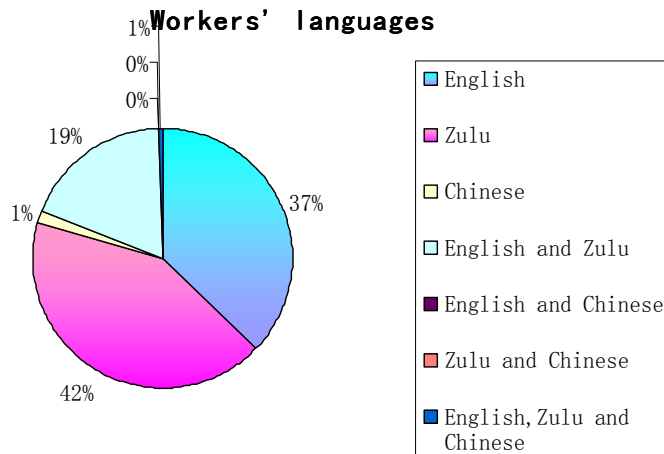
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1.00	139	86	86	86
2.00	21	13	13	99
3.00	1	1	1	100.0
Total	161	100.0	100.0	

People working between 1 to 5 years represent 86% of all workers, and people working from 6 to 10 years represent 13%. People working from 11 to 15 years represent only 1%.

This data show that workers work in the clothing companies from 1 to 5 years. Only a few of them continue working and have more than 10 years experience. This indicates that most workers working in these clothing and textiles companies are working for a relatively short

period of time and that the employment turn-over rate is high.

Figure 4-4 Workers' languages

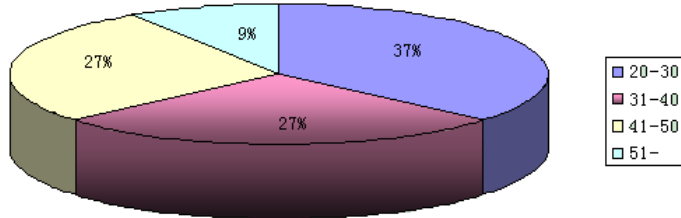


The percentage of workers in these work places who speak English is 37%. The Zulu language is used in communication in the work place to the extent of about 42% incidence, and people communicating in a Chinese language account for 1%. Bi-lingual groups speaking both English and Zulu amount to 19%, and 1 % of the workers are tri-lingual using English, Zulu and a Chinese language.

This chart shows that most of the workers speak Zulu, then English, and only a few of them can speak simple Chinese. The managers and leaders give consideration to language training, as it will help workers to communicate more effectively in the work environment and will reduce misunderstanding and mistakes, thus improving productivity.

Figure 4-5 Managers' age group

Age group of managers

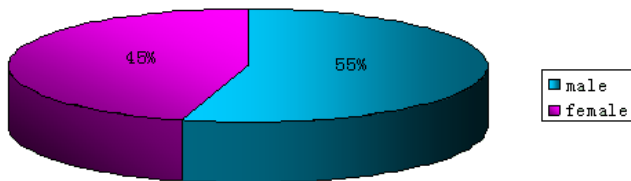


Age Group (years)	Percentage of managers (%)
20-30	37
31-40	27
41-50	27
51 and above	9

This shows the managers' age group, which ranges from 20-50 in these two companies, has greater rates in the 20-30 age groups, which tends to be young for a management position.

Figure 4-6 Managers' sex

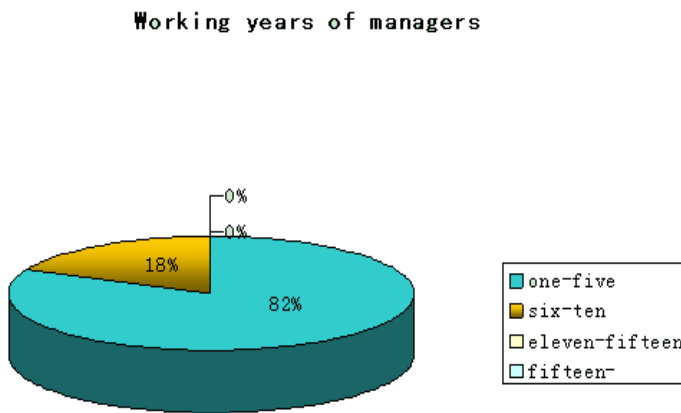
Managers' sex



Sex	Percentage of Workers (%)
Female	55
Male	45

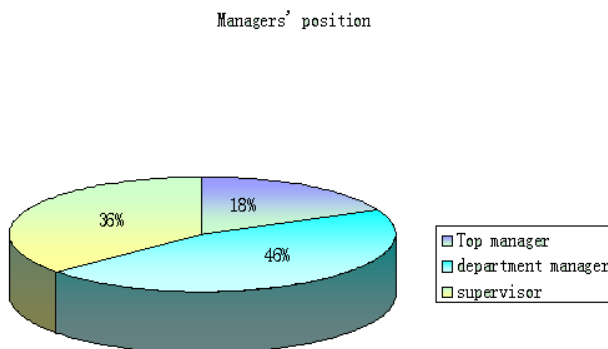
This chart shows that there are more females in the managerial positions, possibly owing to the characteristics of textile and clothing company.

Figure 4-7 Managers' working years



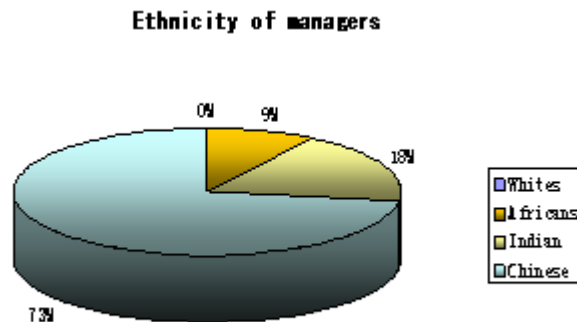
The numbers of years for which the managers have been working between 1 to 5 years represent 82% of all managers, and those working from 6 to 10 years represent 18%. There is no manager working more than 11 years. This shows that because most of managers have only worked between 1 to 5 years, with a few only working between 6 to 10 years, the time for which the managers have previously worked tends to be short period.

Figure 4-8 Managers' position



Top managerial positions belongs to 18% of the managers, common managerial positions belongs to 36% of the managers, and the position of supervisor belongs to 46% of the managers. This construction indicates a hierarchical system wherein few people have top managerial positions and more people have lower managerial positions.

. **Figure 4-9 Managers' ethnicity**



The percentage of Chinese managers is 73%, Indian managers is 18%, and African managers is 9%. This shows that these Chinese organisations tend to employ Chinese managers, which aids communication between managers, owing to the same language and culture between managers.

4.3 Correspondence analysis

According to Hofeman and Franke (1986: 213), “Correspondence analysis is an exploratory data analysis technique for the graphical display of contingency tables and multivariate categorical data.” The scores are assigned to the rows and columns of a data matrix so as to maximize their interrelationship. Correspondence analysis also helps to show how variables are related.

This method has been used for a long time in social and environmental sciences, and is increasingly popular in marketing research, archaeology, psychology and linguistics (Greenacre, 2002: 6). Correspondence analysis can be applied in many areas, as it can collect and interpret data from a questionnaire or frequency table, visualize the data on a spatial map, and represent responses of categories or variables.

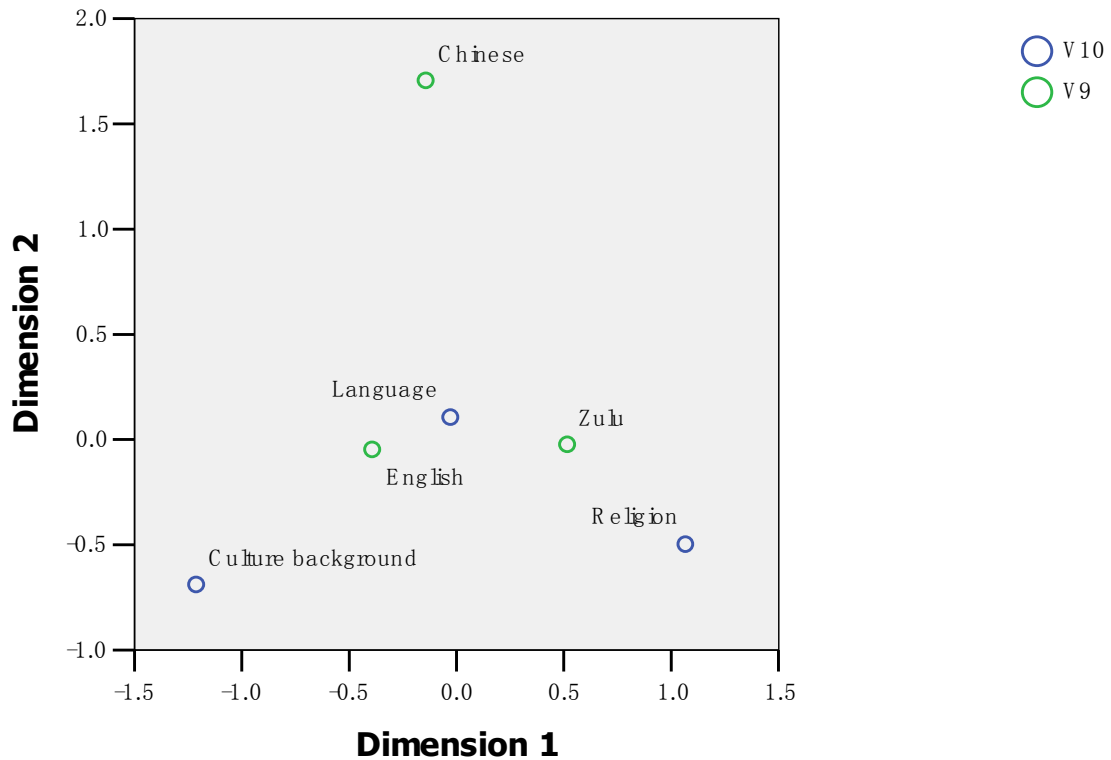
1. Different languages and main communication barriers.

Correspondence Table

V9	V10			
	Language	Religion	Culture background	Active Margin
English	45	3	5	53
Zulu	34	6	1	41
Chinese	2	0	0	2
Active Margin	81	9	6	96

Row and Column Points

Symmetrical Normalization



This figure explains why most of the English-speaking workers feel that language is the main barrier of communication in the organisation. They also think that a person’s cultural background is another communication barrier. However, there are also the Zulu-speaking workers who think that another barrier is the difference in religions.

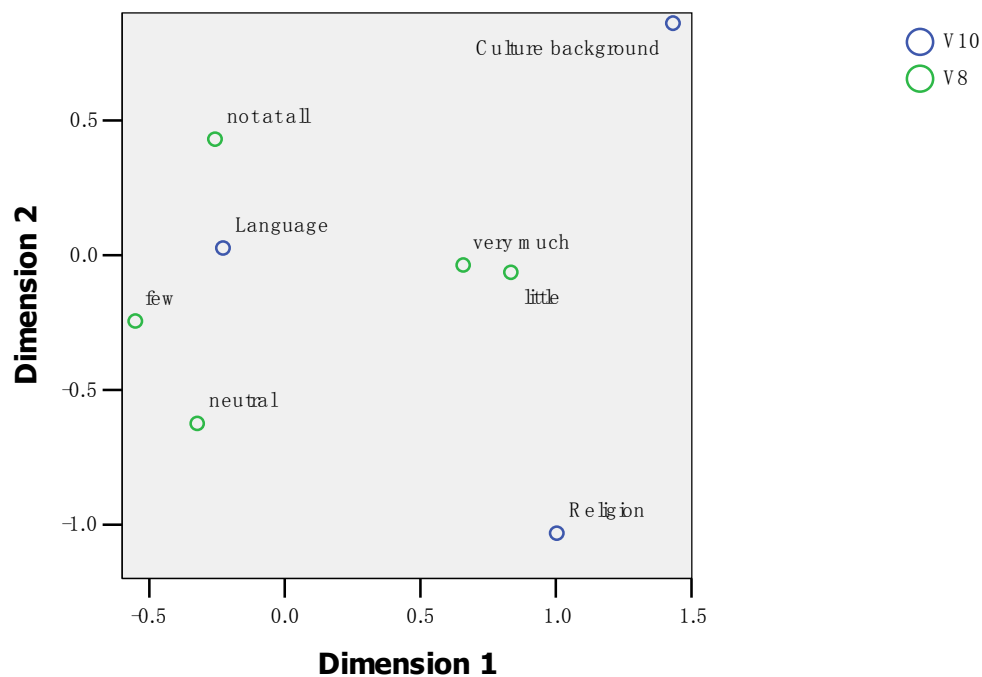
2. Communication barriers and conflicts produced by cross-cultural factors.

Correspondence Table

V8	V10			
	Language	Religion	Culture background	Active Margin
not at all	36	1	3	40
little	17	4	4	25
neutral	16	2	0	18
few	16	1	0	17
very much	5	1	1	7
Active Margin	90	9	8	107

Row and Column Points

Symmetrical Normalization



This indicates that the difference in religions produces most of the conflict in the organisation. Some of the conflict is due to different cultural backgrounds, but workers who choose language difference as the main barrier do not think it leads to conflict in the company.

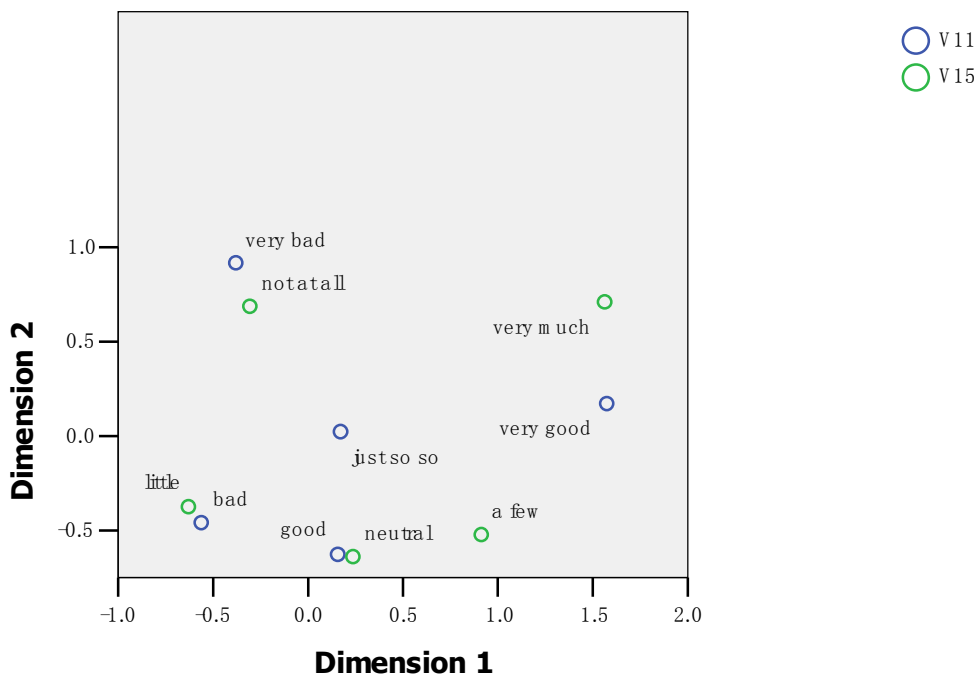
3. Managers' cross-cultural intelligence and the degree of workers' acquired cultural knowledge.

Correspondence Table

V11	V15					Active Margin
	not at all	little	neutral	a few	very much	
very bad	24	9	3	1	3	40
bad	12	20	10	3	0	45
just so so	7	7	4	3	3	24
good	7	8	10	6	1	32
very good	4	0	5	5	6	20
Active Margin	54	44	32	18	13	161

Row and Column Points

Symmetrical Normalization



From this we can see that if the workers feel that their managers do not have a sufficient understanding of different cultures, they will also not gain any cultural understanding from experience in the work environment. The manager's own understanding of the different cultures will have a significant influence on the capacity of workers to acquire this knowledge.

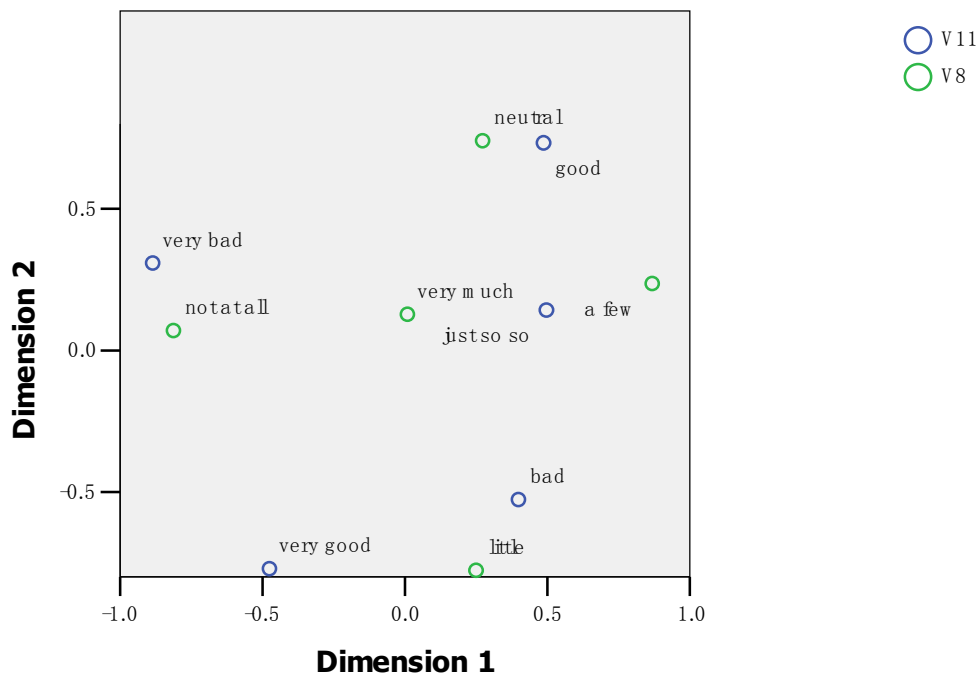
4. The managers' understanding of the cross-cultural factors affecting the handling of conflicts produced by such cross-cultural factors in the organisation.

Correspondence Table

V11	V8					Active Margin
	not at all	little	neutral	a few	very much	
very bad	22	6	8	2	2	40
bad	9	19	7	8	2	45
just so so	5	6	5	6	1	23
good	6	5	11	7	3	32
very good	8	8	1	1	2	20
Active Margin	50	44	32	24	10	160

Row and Column Points

Symmetrical Normalization



The above indicates that the more managers acquire an understanding of the cultures involved, the less conflict there is in the organisation. However, there are no clear trends.

5. The managers' cross-cultural understanding and the degree of harmony in the organisation.

Correspondence Table

V4	V11				Active Margin
	very bad	bad	just so so	good	
very bad	16	7	7	3	33
bad	4	14	5	6	29
just so so	7	8	7	16	38
good	9	7	1	5	22
Active Margin	36	36	20	30	122

This shows that when the manager has a reasonable understanding of cross-cultural factors, the workers feel that there is more harmony in the organisation. When the manager has little understanding of cross-cultural factors, the workers will tend to feel that there is far less harmony in the workplace.

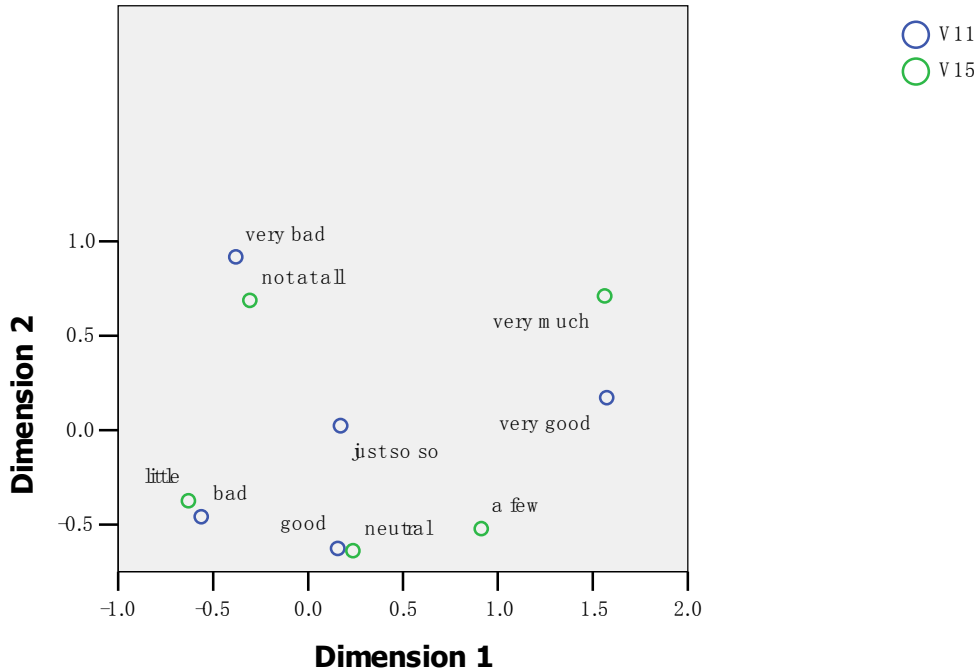
6. The manager understands cross-cultural factors and the workers' freedom to express views and to participate in decision-making.

Correspondence Table

V11	V25					Active Margin
	not at all	little	neutral	a few	very much	
very bad	18	7	8	6	1	40
bad	5	18	12	10	0	45
just so so	3	9	8	3	1	24
good	6	11	9	6	0	32
very good	4	6	3	4	3	20
Active Margin	36	51	40	29	5	161

Row and Column Points

Symmetrical Normalization



When the workers feel that managers do not have an understanding of cross-cultural factors, they also think that they, the workers, will not be able to freely express their ideas or to participate in decision-making.

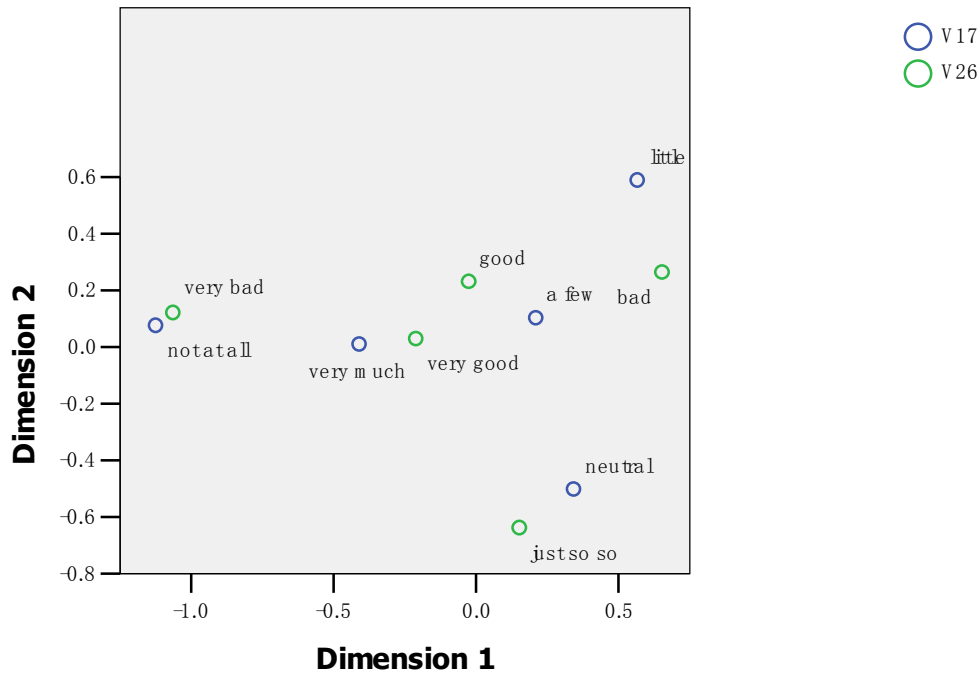
7. When the workers have different perspectives on the same issues, the degree of effectiveness of cross-cultural communication is affected.

Correspondence Table

V17	V26					Active Margin
	very bad	bad	just so so	good	very good	
not at all	8	2	4	5	3	22
little	2	10	4	6	3	25
neutral	4	12	13	8	5	42
a few	5	12	9	10	5	41
very much	6	5	6	7	6	30
Active Margin	25	41	36	36	22	160

Row and Column Points

Symmetrical Normalization



This shows that if the workers have different perspectives on the same issue, it is more difficult to communicate effectively. Therefore, different perspectives will influence the degree of communication effectiveness (Deresky 2006).

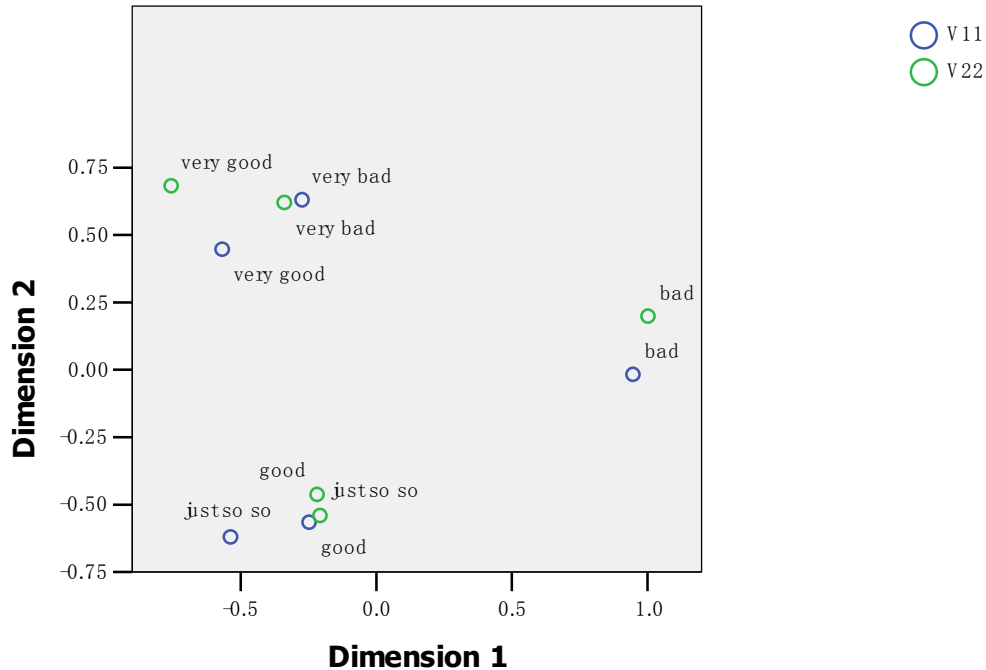
8. The managers' understanding of cross-cultural issues and the manager's capability to solve racial problems.

Correspondence Table

V11	V22					Active Margin
	very bad	bad	just so so	good	very good	
very bad	11	8	7	7	7	40
bad	4	22	7	10	2	45
just so so	3	2	7	9	3	24
good	4	5	9	11	3	32
very good	2	3	2	6	6	19
Active Margin	24	40	32	43	21	160

Row and Column Points

Symmetrical Normalization



This indicates that if the managers have a poor understanding of cross-cultural issues they will also have a commensurately poor capability to solve racial problems.

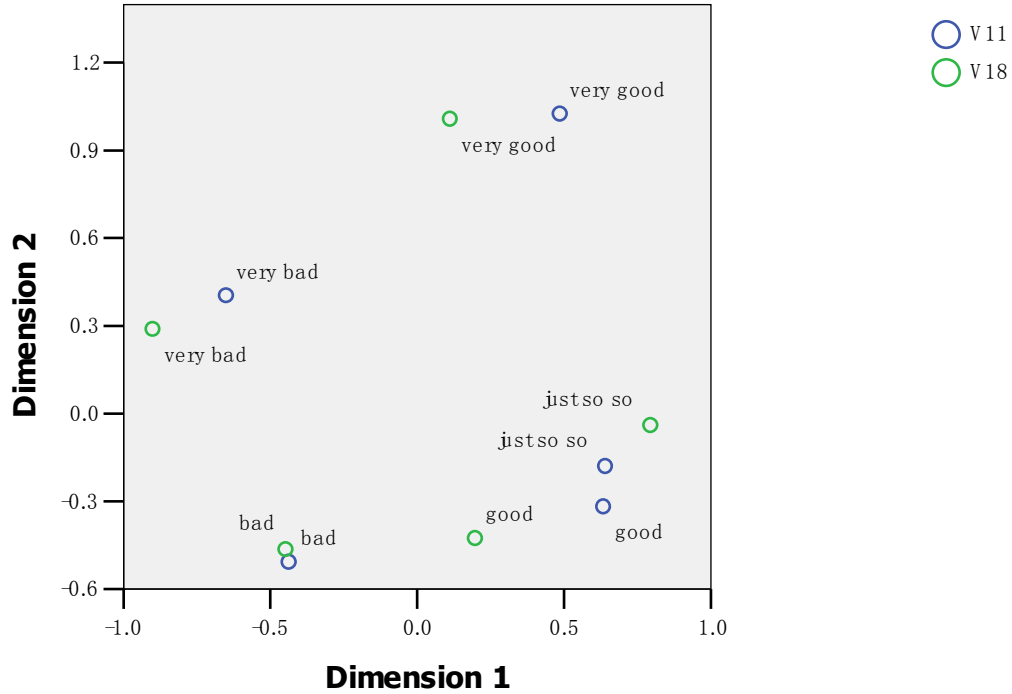
9. The managers' understanding of cross-cultural issues and the degree of respect granted to the religious observance of workers and customers.

Correspondence Table

V11	V18					Active Margin
	very bad	bad	just so so	good	very good	
very bad	13	8	6	6	7	40
bad	6	17	5	11	5	44
just so so	2	4	9	6	3	24
good	3	5	12	9	3	32
very good	1	3	5	3	8	20
Active Margin	25	37	37	35	26	160

Row and Column Points

Symmetrical Normalization



This shows that where managers have a good understanding of cross-cultural issues, they will have more respect for their workers and customers' religious beliefs.

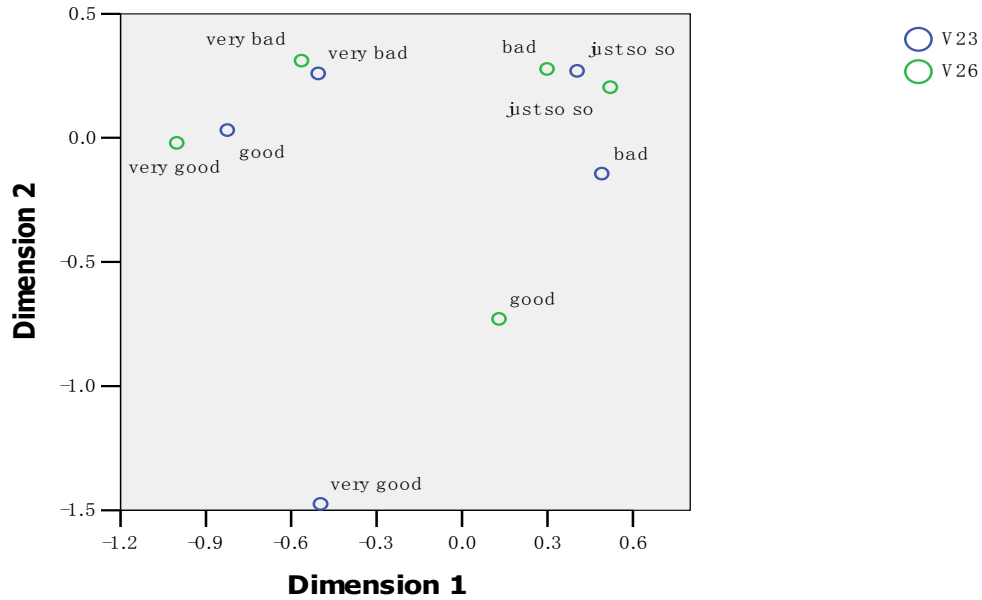
10. The workers' cross-cultural training and degree of effectiveness of cross-cultural communication.

Correspondence Table

V23	V26					Active Margin
	very bad	bad	just so so	good	very good	
very bad	11	11	7	8	8	45
bad	7	16	15	15	3	56
just so so	3	10	11	6	4	34
good	3	3	3	3	5	17
very good	1	1	1	4	2	9
Active Margin	25	41	37	36	22	161

Row and Column Points

Symmetrical Normalization



This shows that the workers have more cross-cultural training. Training is a tool to make the workers understand the culture of the company. It influences work members gradually and naturally. The organisation also needs to absorb the knowledge of different cultures and create a common culture which suits every one.

Organisations are more effective when there is cross-cultural communication, thus an improvement in cultural training for workers will improve the effectiveness of cross-cultural communication.

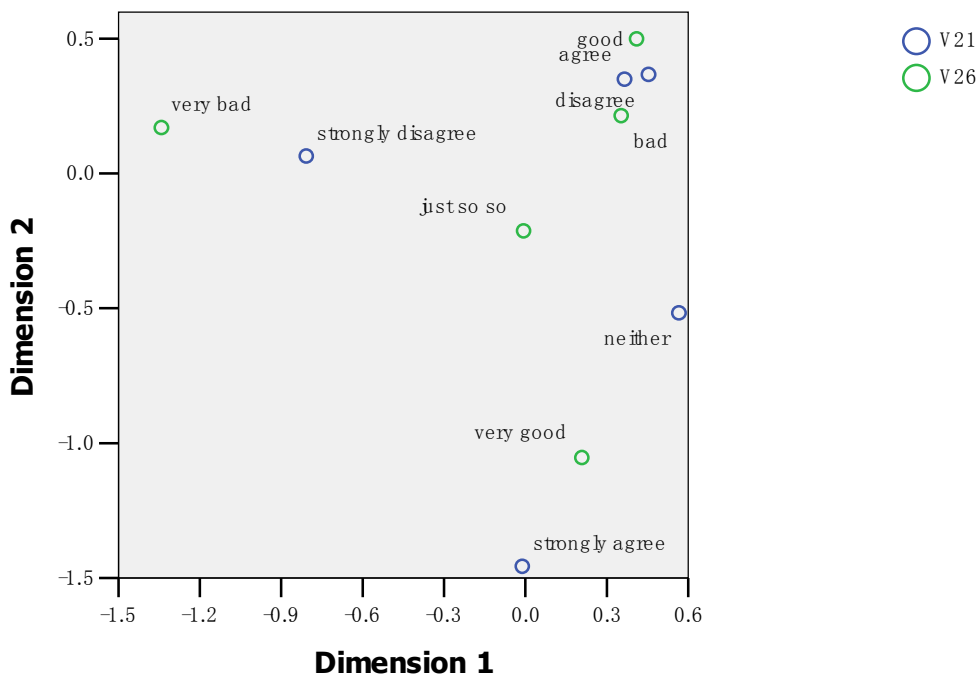
11. The allocation of appropriate resources to support cross-cultural management and the degree of effectiveness of cross-cultural communication.

Correspondence Table

V21	V26					Active Margin
	very bad	bad	just so so	good	very good	
strongly disagree	18	10	12	9	6	55
disagree	3	14	11	14	4	46
neither	1	7	5	7	7	27
agree	2	8	5	6	2	23
strongly agree	1	2	4	0	3	10
Active Margin	25	41	37	36	22	161

Row and Column Points

Symmetrical Normalization



There is no obvious proximity or distance between the elements; therefore these two variables have no clear relationship.

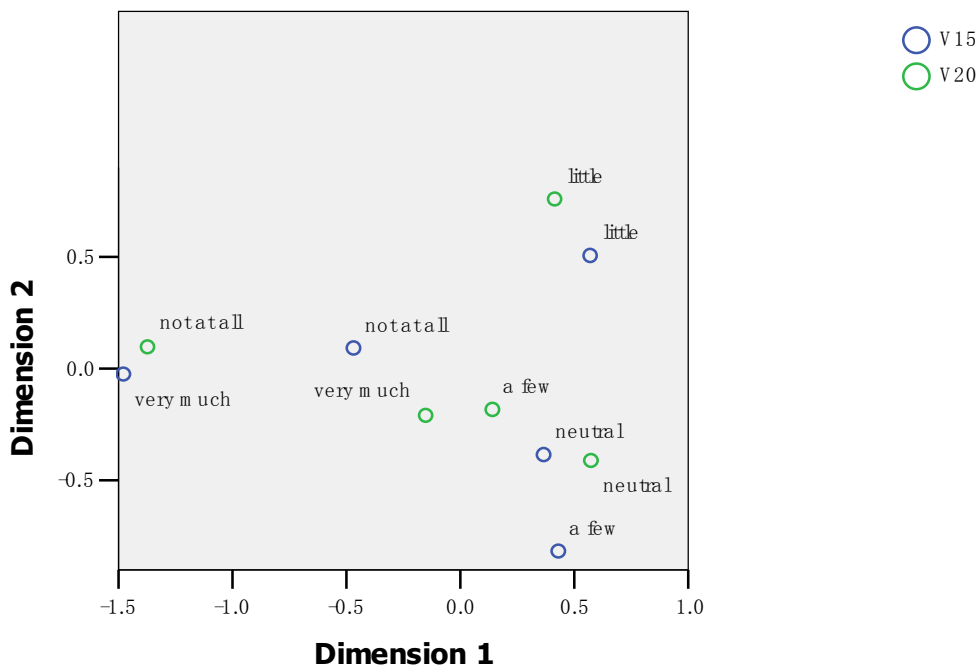
12. Workers' degree of acceptance of cross-cultural factors and the workers' degree of self-improvement.

Correspondence Table

V15	V20					Active Margin
	not at all	little	neutral	a few	very much	
not at all	12	10	7	8	17	54
little	2	15	11	8	8	44
neutral	2	6	10	4	10	32
a few	1	2	6	5	4	18
very much	6	1	1	2	3	13
Active Margin	23	34	35	27	42	161

Row and Column Points

Symmetrical Normalization



When workers choose not to acquire cultural understanding, they also deprive themselves of opportunities for self-improvement. Therefore, the organisation concentrates on the workers' cross-cultural understanding.

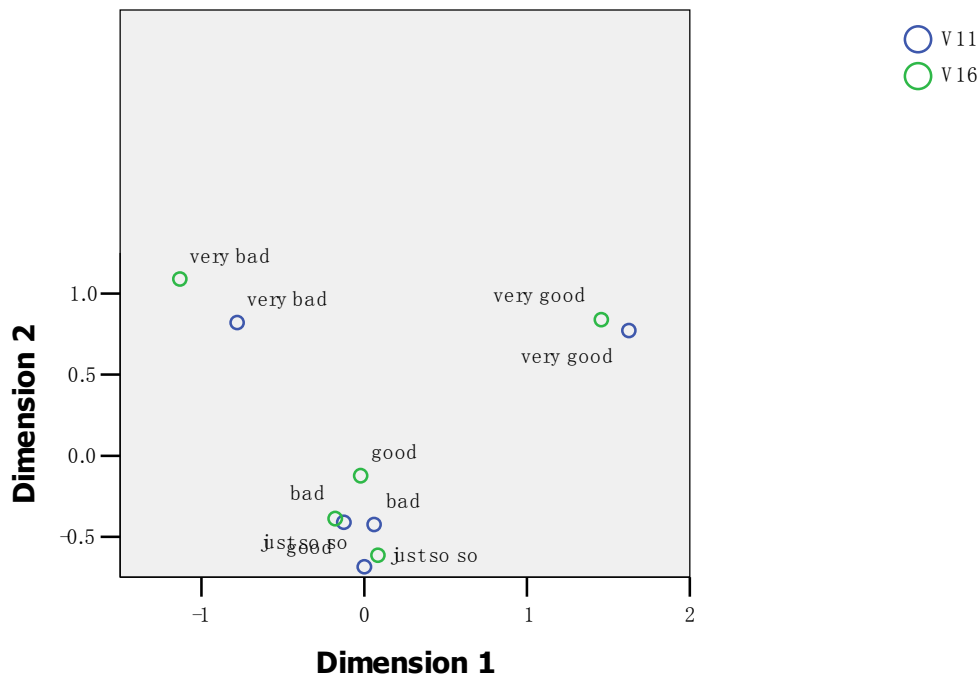
13. The managers' understanding of cross-cultural issues and the worker's levels of job satisfaction

Correspondence Table

V11	V16					Active Margin
	very bad	bad	just so so	good	very good	
very bad	16	9	4	8	3	40
bad	3	19	11	6	5	44
just so so	1	5	9	8	1	24
good	3	11	8	8	2	32
very good	0	2	3	4	11	20
Active Margin	23	46	35	34	22	160

Row and Column Points

Symmetrical Normalization



This indicates that when managers have more understanding of cross-cultural issues, the workers will have more job satisfaction; the manager's level of understanding of cultural intelligence will influence workers' levels of job satisfaction.

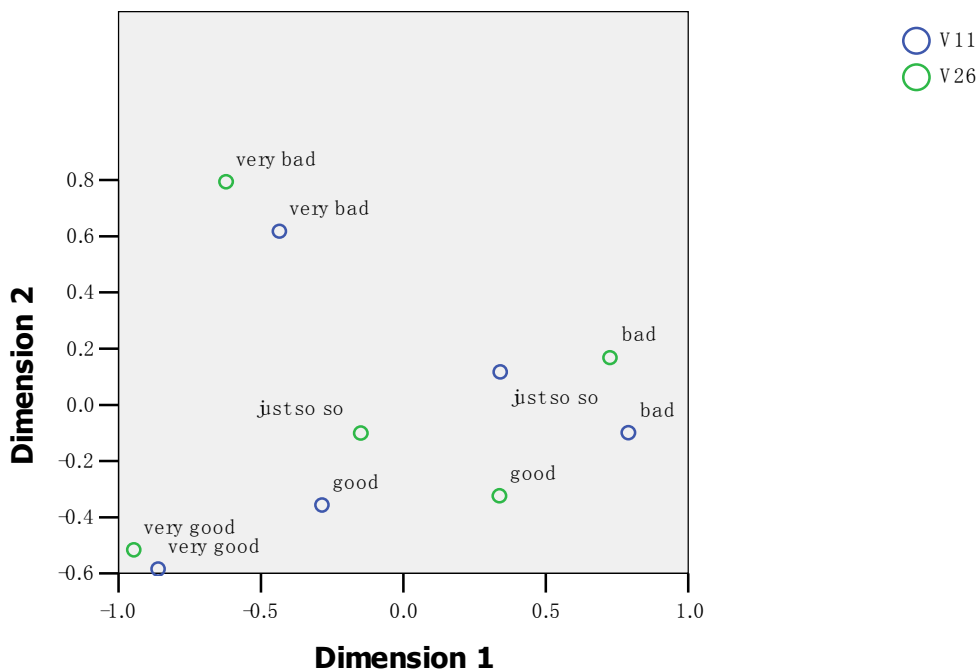
14. The managers' understanding of cross-cultural issues and the effectiveness of cross-cultural communication

Correspondence Table

V11	V26					Active Margin
	very bad	bad	just so so	good	very good	
very bad	11	8	9	6	6	40
bad	3	18	9	13	2	45
just so so	3	8	6	5	2	24
good	5	5	7	9	6	32
very good	3	2	6	3	6	20
Active Margin	25	41	37	36	22	161

Row and Column Points

Symmetrical Normalization



From this diagram, we can see that when the managers' understanding of cross-cultural issues is poor, the cross-cultural communication is also poor. The organisation improves the manager's understanding of cultural issues.

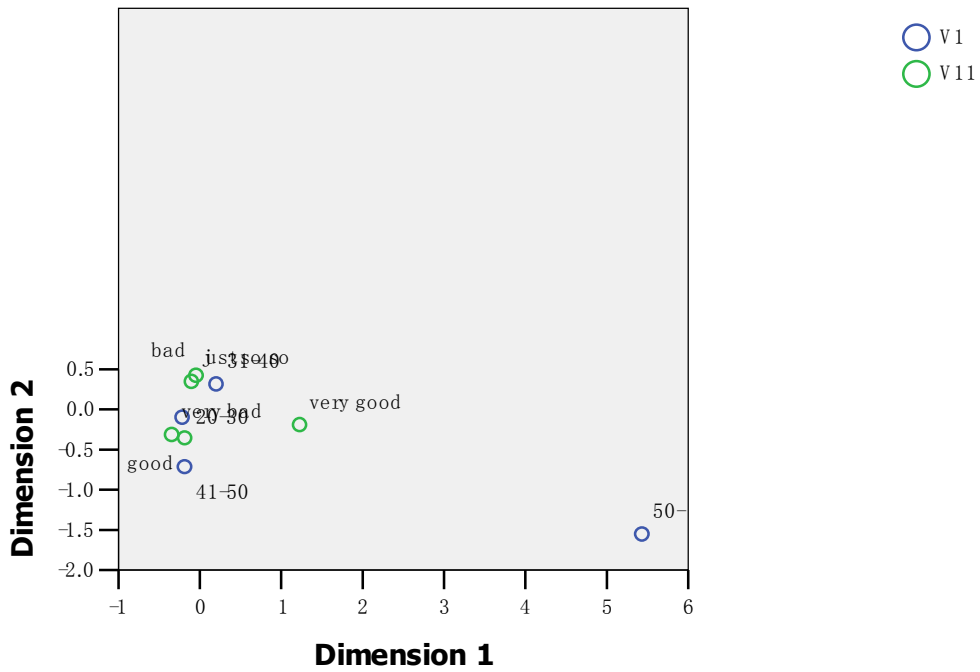
15. The workers' age group and the managers' cross-cultural understanding.

Correspondence Table

V1	V11					Active Margin
	very bad	bad	just so so	good	very good	
20-30	22	19	11	13	7	72
31-40	13	22	11	13	10	69
41-50	5	4	2	6	2	19
50-	0	0	0	0	1	1
Active Margin	40	45	24	32	20	161

Row and Column Points

Symmetrical Normalization

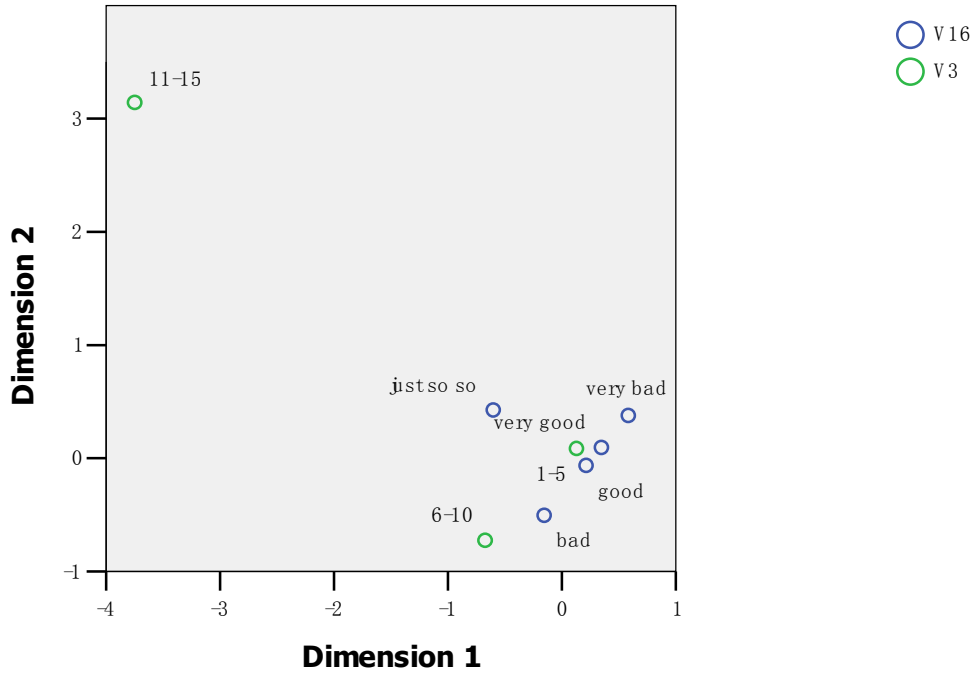


The workers' age group has no relationship to the managers' understanding of cross-cultural issues.

16. Workers' working years and job satisfaction

Row and Column Points

Symmetrical Normalization



There is no clear relationship between these two variables, so worker's working years cannot influence their job satisfaction.

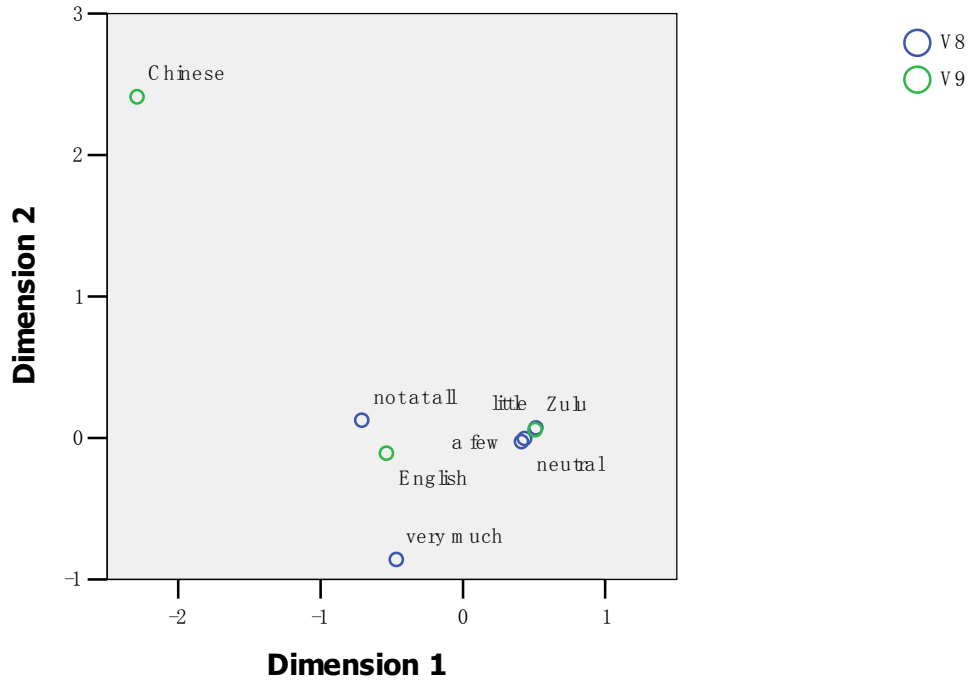
17. Different languages and cross-cultural conflict.

Correspondence Table

V8	V9			Active Margin
	English	Zulu	Chinese	
not at all	28	15	1	44
little	9	18	0	27
neutral	10	18	0	28
a few	8	14	0	22
very much	5	3	0	8
Active Margin	60	68	1	129

Row and Column Points

Symmetrical Normalization



These two variables do not have a close relationship, so the different languages are not the main reason behind cross-cultural conflict.

CHAPTER 5: CONCLUSION

This research explored the importance of the management of Chinese clothing and textile companies that conduct business in South Africa becoming knowledgeable with regard to diversity in their cross-cultural workforce in order to achieve effective leadership and management. It also explored how they could lead a multicultural workforce toward the achievement of an organisation's goals.

Case studies were undertaken using Chinese-managed companies in KwaZulu-Natal. This study used questionnaires to gather data for analysis. Analysis of the questionnaire revealed the extent of the understanding of cross-cultural issues on the part of managers as well as the effect this has on workers' perceptions of management.

It was also established that the majority of the workers were female. In general, workers were in the age group of 20-40 years, and most workers speak Zulu or English when they communicate amongst themselves.

From the investigation, some important points emerged that help managers and leaders to lead and manage diversity in a cross-cultural workforce.

1. Managers' and leaders' knowledge of cross-cultural issues is the most important factor that influences all other variables.
2. Knowledge of cross-cultural issues can improve workers' respect for a manager and leader. Learning about different religions and languages will assist managers to have more respect for different religions in both the workforce and in the clients that they serve. This leads to effective communication, limit conflicts and an increase in mutual trust and respect.

If the managers want their workers to have more knowledge and understanding of cross-cultural issues, they improve their own understanding too. Understanding of cross-cultural issues will help managers and leaders solve cross-cultural conflicts.

3. The incidence of workers who were given opportunities to freely express their views

and to participate in decision-making is linked to the degree of understanding of cross-cultural issues displayed by the managers. If this can be achieved then this will improve their motivation.

4. Workers indicated that they are not very satisfied with their manager's capability of solving ethnic group problems. If managers want to improve their capability in this regard, they gain the relevant knowledge.
5. Analysis indicates that workers' job satisfaction and a manager's understanding of cross-cultural issues have a close relationship, and if managers want their workers to feel more satisfied with their jobs, they increase their own understanding of cross-cultural issues. This also accords with the findings in the literature.
6. Good understanding of cross-cultural issues on the part of management could lead to more effective communication in the organisation and to a more harmonious working environment.
7. Language is a tool of communication, and speaking a local language could help international managers understand what the workers might be thinking, what their needs are and how to change their management effectiveness.

The study found that Chinese managers and leaders do not really comprehend the importance of understanding cross-cultural issues. The owner of organisations does not encourage their workers to understand cultural issues and they do not provide related training. Their companies are not allocating enough resources to support the cross-cultural management policy and practice.

Most Chinese companies in South Africa do not have a very extensive scope. Some are family businesses and do not have normal management systems. Some still use Chinese management theory, and this will negatively influence the business. If managers and leaders ignore the importance of cross-cultural management, they will suffer a loss of competitiveness, and conflicts will occur in the organisation that will lead to dissatisfaction of workers and a higher turnover of workers. There will be less motivation and a decrease in productivity. If the managers and leaders want to understand the local multi-cultural and socio-cultural nature of

the business culture, they learn from their diverse workforce. If management can effectively communicate with cross-cultural workers, it will help them to communicate with local customers successfully and negotiate business deals with local business partners. Successful communication requires that managers and leaders know their workers well, including their cultural backgrounds, religions, languages, behavioural attitudes and ethical standards. This will promote cross-cultural communication. It is advisable that managers and leaders create a harmonious environment, allowing workers to have a sense of belonging and a sense of identification with the organisation's goals. Managers and leaders eliminate discrimination, aiding the promotion of respect and compassion. It would be advantageous to reconcile the objectives of the organisation with local economic development, politics and government policy. If an organisation wants to be competitive in the local market, it know the local market's strengths, weaknesses, opportunities and threats compared to those that exist in the market in its own country.

From this research, the main barriers to communication with a multi-cultural workforce are seen in three aspects. The most important barrier is language, followed by the cultural background, and then religion. Language is an important tool for communication. People have different languages who work together in an organisation find it very difficult to effectively communicate with each other. This leads to misunderstanding. Therefore, leaders and managers learn the local language before conducting business in foreign country, not only verbal language, but also body language and hidden language. There are many different languages in South Africa. Chinese managers cannot know them completely, but they grasp English fluently; English is a common language in South Africa. Knowing English decreases the occurrence of major barriers in communication with the local workforce. It is better to know some simple words in other languages, such as greetings, that will create close and friendly relationships. In this research, it was found that only top managers can speak English fluently; other Chinese managers only can speak the language simply. It would be beneficial for Chinese companies to support training of their managers in English and local languages, including the verbal and body languages. Black Africans have strong rhythm and visible body language, sometimes they use dance to express excitement or happiness. Whites are more

restrained and sometimes are nonchalant, whilst other groups of people are combinations of White and black African responses and natures. Knowing the cultural backgrounds of workforces also help managers to communicate with them effectively. Multiple cultures influence people in South Africa. People experience many different cultures, but they also keep their own culture. In this situation especially, Chinese managers understand the different cultures in South Africa, including the African culture, Whites' culture and Indian culture. Each different culture has a unique history and background. Knowledge of this will help Chinese managers understand the different cultural backgrounds and culturally-influenced aspects of their workforce. For example, how workers dress, express emotions, and their manner of talking. This information is very useful for improving their communication skills. The practice of religion is a major contributing factor to conflict. Religion is one's belief and people's entire lives can be influenced by their religion. Thus Chinese managers respect different religions and try to understand these workers' religions.

This research shows that Chinese business leaders/ managers have no training programmes or workshops to support language learning or culture appreciation. It also shows that Chinese managers are unilateral. They give instructions and commands and do not entertain receiving feedback from workers, or allow them to participate in decision making. These companies have not been in South Africa for a long time, so they do not have an established corporate culture. Chinese managers are aware of the benefits of support training, including language training or cultural training for both workers and themselves.

In this study, most of the local workforces have a willingness to learn different languages and to show interest in the knowledge of different cultures. The managers and leaders accept that there are different values, attitudes, perspectives and resultant behavioural variations in their workforces. Effective management, under these circumstances, requires an understanding of different cultural values and the flexibility to manipulate management strategy to achieve a fusion of the boundaries between traditional ethnocentric views and cross-cultural perspectives.

South Africa is a potential market that welcomes foreign investment and skills. The country has also created policies to support foreign business. This research shows that Chinese business investors, before conducting business here, spend time visiting South Africa, consulting agencies, and researching documents on South Africa's government, politics, policies and social environment. Through their research, they can identify their market in South Africa, and explore and involve themselves in South Africa's social environment, gaining confidence to conduct business in South Africa. The other way is to participate in non-academic seminars or workshops. Through these activities, they will know about development in South Africa and how to engage with it, and will understand their business and social environment more deeply.

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APPENDIX 1: MANAGERS' QUESTIONNAIRE

管理者问卷调查

In the following questions please circle the most appropriate response.

请对下列问题选出适合的答案

1. Your age

年龄

20-30 31- 40 41-50 51--

2. Your Sex

性别

Male Female

男 女

3. The number of years that you have worked in this company?

在这个公司工作的年份

20-30 31- 40 41-50 51--

4. Your position in the organisation

在公司的职务

Top manager department manager supervisor

高级主管 部门管理者 监管员

5. Do you understand the global economic environment?

你是否了解全球化的经济环境

Not at all Very

不了解 非常了解

1 2 3 4

6. Does the organisation have an harmonious working environment?

公司里是否有和谐的工作氛围

1 2 3 4

7. Do you think there are some differences between managing a Chinese workforce and a local workforce?

你认为管理中国员工和南非员工有多大程度的不同

1 2 3 4

8. As a manager do you think you have the knowledge to understand cross cultural phenomena?

作为管理者你是否具有理解跨国文化现象的知识

1 2 3 4

9. What language do you use to communicate in your organisation?

什么语言是你们公司最常用的交流语言

English Zulu Chinese

英语 祖鲁 中文

10. What are the main barriers to communication with local workforce?

和当地员工交流时最主要的障碍是来自哪方面的

Language Religions Culture background

语言 信仰 文化背景

11. Do you have the skills to observe and interpret a particular situation where there is a breakdown in communication?

你是否会留心观察和解释特殊的情况

1 2 3 4

12. To what degree do you recognize the important of culture intelligence?

对文化技能重要性的认知程度是什么

Not at all Very

1 2 3 4

13. Does the local workforce in your company try to understand the Chinese culture?

本地员工是否有兴趣了解中国文化

1 2 3 4

14. How often do you have a meeting with your workers?

多久开一次员工会议

once a day once a week once a month

一天 一周 一个月

15. Do you have the skills for adapting your behaviour to act appropriately and successfully in a range of situations?

你是否具有配合和采用适当行为并在一系列的情况下取得成功的技能

1 2 3 4

16. To what extent does your organisation encourage top managers to learn about the various South African cultures?

公司是否鼓励高级管理者学习南非文化

1 2 3 4

17. Does the Chinese management theory apply to local situations?

中国的管理理念是否可以应用在当地环境

1 2 3 4

18. Do you acquire culture knowledge from your ongoing interactions with it?

在持续的互相交流中是否学到了文化的知识

1 2 3 4

19. Do you feel satisfied with your workers' performance in your organisation?

对本公司工人工作表现的满意程度

1 2 3 4

20. Did you understand the social culture of South Africa before you invested/worked here?

在南非投资或工作前是否了解南非的社会文化

1 2 3 4

21. Do you feel it is difficult to manage the local workforce?

管理南非员工的困难程度

Very difficult Not at all

非常难 根本不难

1 2 3 4

22. Do the workers from different cultural backgrounds have different perspectives when they see the same thing?

不同文化背景的工人对相同事情是否持有不同的观点和理解

1 2 3 4

23. Do you reshape your thinking to be more sympathetic when interacting with people of different cultures?

当和不同文化背景的人交流时你是否会重新改变你的想法多一些赞同

1 2 3 4

24. Do you think different cultures result in different workplace behaviours?

你认为不同的文化背景会导致不同的行为表现吗

1 2 3 4

25. Does your company support innovation to achieve good communication with different cultures in the workforce?

公司是否支持为达到不同文化背景员工更好的交流做出的改革

1 2 3 4

26. Do you think a diverse culture workforce brings the competitive capabilities for your organisation?

你是否认为不同文化的劳动力会给公司带来竞争力

1 2 3 4

27. Do you think clear communication is an essential factor for people to be able to do their best?

你是否认为清楚的交流是工人表现良好的重要因素

1 2 3 4

28. Do you agree flexible management skills will lead to success?

你是否同意灵活的管理技巧可以带来成功

1 2 3 4

29. Do you think understanding cultural differences are an effective way to deal with conflict between two different cultural groups?

你认为了解文化的不同性是有效处理不同文化矛盾的方法吗

1 2 3 4

30. Do you think the managers treat a cross-culture workforce with respect and dignity?

你是否认为管理者应该尊重不同文化背景的工人吗

1 2 3 4

31. How important is effective cross-culture management to the achievement of your organisation's objectives?

你认为有效的多元文化管理是达到公司目标的重要因素吗

1 2 3 4

32. Can effective cross-cultural management improve your organisation's performance?

有效的跨国文化管理是否能提高公司工人的工作表现

Strongly Disagree Agree Strongly

Disagree agree

1 2 3 4

33. Is your organisation able to allocate appropriate resources in support of a cross-cultural management policy and practices?

公司是否分配相应的资源来支持跨国文化管理的政策

Strongly Disagree Agree Strongly

Disagree agree

1 2 3 4

34. To what degree does your organisation encourage workers to participate in relevant cross-cultural training?

公司是否鼓励工人实施跨国文化的培训

1 2 3 4

35. To what extent does your organisation encourage self-improvement?

公司是否鼓励自我文化的提高

1 2 3 4

36. Does the cross-cultural communication work effectively in your organisation?

公司的人员间是否有有效的跨国文化交流

1 2 3 4

End of the questions

Thank you!

Participant's signature _____

Date _____

签名

日期

Contact Number _____

联系电话

APPENDIX 2: WORKERS' QUESTIONNAIRE (IMIBUAO YABASEBENZI)

工人问卷调查

In the following questions please circle the most appropriate response

下列问题中选择适当的回答

Kulemibuzo Elandelayo Khetha Igama Elifanele

1. Your age (Unyaka wobudala) 年龄

20-30 31- 40 41-50 51--

2. Your sex (Ubulili) 性别

Male (Indoda) 男 Female(Umfazi) 女

3. The numbers of years you have worked in this company? (Iminyaka oyisebenzile enkampanini?)

在公司工作的时间

1-5 6-10 11-15 16---

4. Does the organisation have a harmonious working environment? (Uphatheke kanjani emsebenzini?)

你认为公司和谐氛围的程度

Not at all(Akwenzakalanga lutho) 一点都没有 very(kakhulu) 非常

1 2 3 4 5

5. Which of the follow options describe the Chinese management style of the manager?

Kulokhu okulandelayo ikuphi okuchaza indlela abaphathibamaShayina baphata ngayo?

下列那个选项描述中国管理者的管理方式

A. One way relationship - just give orders (Ingabe bangondlovu kayiphikiswa)

只给命令

B. Getting feedback from communication (Ingabe kunokuxhumana okuqhubekayo)

在交流中有回馈信息

C. Interaction with trust and respect (Ingabe kumokuxhumana okunoku thembana nenhlonipho)

互相信赖和尊重

6. Do you have equal opportunities for self improvement in the company? (Akhona amathuba okuqhubekela phambili enkampanini?)

在公司中自我提高的平等机会的程度

1 2 3 4 5

7. Do you think there are some differences in communication between Chinese and South Africans?

Ucabanga ukuthi ngabe kukhona umehluko ngendlela okuxhumana ngayo ama China nama South African?

你认为和中国人和南非人交流有什么不同

1 2 3 4 5

8. Are there any conflicts produced by a cross-cultural workforce? (Kukhona yini ukushayisana kwamasiko?)

有没有任何因为跨国文化劳动力所产生的矛盾

1 2 3 4 5

9. What language do you use to communicate in your organisation? (Iluphi ulimi enixhumana ngalo endaweni yakho yomsebenzi)

在你们公司你用什么语言交流

English(Isingisi) Zulu(Isizulu)祖鲁语 Chinese(Isishayina)

10. What are the main barriers to communicating with a Chinese manager?

和中国管理者交流最主要的障碍是什么

Iyiphi ingqinamba obanayo uma ufuna ukuxhumana nabaphathi bama Chayina?

Language(Ulimi) 语言 Religion(Inkolo)宗教 Culture background(amasiko noma imvelaphi)文化背景

11. Do you think your manager has the necessary cultural intelligence when dealing with a cross-cultural problem?

Ngabe umphathi wakho unabo yini ubuciko uma ebhekene nenkinga enobuhlanga?

你认为你的管理者是否有处理跨国文化方面的文化理解力

1 2 3 4 5

12. Do you have any interest in understanding Chinese culture? (Unalo yini uthando lokuwaqonda amasiko ama Chayina?)

你是否有任何兴趣认识中国文化

1 2 3 4 5

13. How often do you have a meeting in your organisation?

公司多久开一次会

Kunithatha isikhathi esingakanani ukubamba umhlangano enkampanini oyisebenzelayo?

Once a day(kanye ngosuku)一天一次 Once a week(kanye ngesonto)一星期一次

Once a month (kanye ngenyanga) 一月一次

14. To what extent does your organisation encourage workers to learn the Chinese culture?

Ikukhuthalele kangakanani inkampani oyisebenzelayo ukukhuthaza abasebenzi benu ukuthi bazi ngamasiko aseChina

你们公司鼓励员工学习中国文化的程度

1 2 3 4 5

15. Do you acquire some cultural knowledge from your ongoing interactions with the Chinese culture in the workplace?

你是否得到一些文化知识在你不断的交流当中

Lukhona yini ulwazi olutholayo olumayelana namasiko ekuxhumaneni kwenu?

1 2 3 4 5

16. Do you feel satisfied in your organisation?

Wanelisekile enkampanini ?

对在公司工作的满意程度

1 2 3 4 5

17. Do you think people from different cultural groups have different perspectives when seeing the same thing?

Uma ucabanga abantu bamasiko ahlukene babona izinto ngendlela engafani?

你认为不同文化背景的人看待同一件事情有不同观点的程度

1 2 3 4 5

18. Are Chinese managers respectful of your religion and customs?

Ingabe umphathi wakho wo Mshayina uyawahlonipha amasiko Kanye nenkolo yakho?

中国管理者尊重你的宗教和习惯的程度

1 2 3 4 5

19. Does the manager support innovation to achieve good communication with different cultures in the workforce?

Ingabe umphathi wakho uyakukhuthaza impucuko ekuxhumaneni phakathi kwabantu abanamasiko angafani?

管理者为达到不同文化员工好的沟通所支持的改革

1 2 3 4 5

20. Do you think good cross-cultural management will improve your performance?

Uma ucabanga ingabe kuyasiza ukwazi ngamasiko abanye?

良好的跨国文化交流是否会提高你的表现的程度

1 2 3 4 5

21. Does your organisation allocate appropriate resources in support of a cross-cultural management policy and practices?

Inhlangano yenu iyakwazi yini ukunikeza ulwazi olufanele ukugququzela izidingo zamasiko ahlukeneyo?

你的公司是否分配适当的资源支持跨国文化的管理政策和实践的程度

1 2 3 4 5

22. Does the manager have the capability of changing their attitude toward ethnic issues?

Ingabe umphathi Wakho uyalikhombisa ikhono ekuzameni ukulwisana nokucwasa ngobuhlanga?

管理者是否对种族问题改变态度的能力

1 2 3 4 5

23. To what extent does your organisation encourage workers to undertake relevant cross-cultural training?

Iziphi izinhleloinkampani yakho ezenzayo ukukhuthaza abasebezi bezinhlanga ezahlukeneyo ukuthola ukufundiswa noqeqesho ngamasiko ahlukeneyo?

公司鼓励员工实施相关跨国文化培训的程度

1 2 3 4 5

24. When solving a cross-cultural problem, do managers use their own way or that which is appropriate to the local situation?

Uma kuxazululwa inkinga umphathi usebenzisa indlela yakhe noma indlela yesimo seleyondaba ngalesosikhathi ?

当处理跨国文化问题是，管理者用他们自己的方式还是适合当地的情况？

1 2 3 4 5

25. Does workers freely express their views and participate in decision making?

Ingabe abasebenzi bavumelekile kubeka imibono yabo ngendlela ekhululekile nokuba
ingxenye yezinqumo ezithathwayo?

员工自由表达他们的观点和参与做决定的程度

1 2 3 4 5

26. Does the cross-cultural communication work effectively in your organisation?

Ingabe ukuxhumana phakathi kwabanfu abanamasiko ahlukene kusebenza kahle
kulenkampani?

跨国文化交流在公司的有效程度?

1 2 3 4 5

End of the questions (Isiphetho)

Thank you! (Ngiyabonga)

Participant's signature _____

Date _____

Isiginisha yobegcwalisa

Usuku

Contact Number _____

Inombolo yokuxhumana

APPENDIX 3: ETHICAL CLEARANCE

School copy



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TELEPHONE NO.: 031 - 2600587
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30 SEPTEMBER 2008

MS. YZ ZHENG (205525087)
MANAGEMENT STUDIES

Dear Ms. Zheng

ETHICAL CLEARANCE APPROVAL NUMBER: HBS/0776/07M

I wish to confirm that ethical clearance has been approved for the following project:

"Leading and managing diversity and a cross cultural workforce in a Chinese Investment Organisation in KZN: A case study"

PLEASE NOTE: Research data should be securely stored in the school/department for a period of 5 years

Yours faithfully

[Signature]
MS. PHUMELELE XIMBA

cc: Supervisor (Dr. K Pillay)
cc: Mrs. C Haddon

Founding Campuses: Edgewood Howard College Medical School Pietermaritzburg Westville