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International Business Communications

Component 2

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Managing Intercultural Conflict in Multinational Teams: A Case Study of Unilever London

Introduction

Organisational globalisation has exposed organisations to operate in culturally diverse environments, whereby teams are comprised of employees of diverse nationalities, ethnicities and different languages. It is a typical example of the global business centre like London, which accommodates many multinational companies which are highly multicultural in terms of their workforce. As diverse as it is, it not only improves creativity, problem-solving, and innovation but it also poses a problem of communication and collaboration. Intercultural conflict is likely to occur due to misunderstandings, clashing work values, and divergent communication norms, and, when not resolved properly, achieves impediment on performance and morale (Eassa, 2024).

This essay will critically analyse the ways of how inter cultural conflict occurs and how it is managed in multinational teams on the case study of Unilever operations in London. Unilever, a UK-Netherlands consumer goods firm operating in more than 190 countries, has ensured that the organisational culture revolves around equity, diversity, and inclusion (ED&I). Irrespective of this pledge, communication styles, hierarchy, and values usually conflict in its culturally diverse work groups. This discussion starts with intercultural communication and conflict management theories review, and then their application in Unilever London is analyzed. The essay ends with an analysis of the approaches by Unilever and an evaluation of improvements to be made in order to maintain an effective intercultural cooperation.

Literature Review

Intercultural conflict happens when people or groups of people belonging to various cultures misunderstand or misinterpret the communication behaviours, values, or expectations of the other (Taras et al., 2021). The cultural dimensions theory by Hofstede offers a background through which such conflicts can be viewed through the identification of the primary areas of cultural variation such as individualism/collectivism, power distance, and uncertainty avoidance. The variations in these dimensions determine the way individuals perceive authority, feedback and confrontation in teams. Liang et al. (2020) posit that such cultural

differences may trigger variations in perceptions of right and wrong and respect, particularly in multinational organisations where the cooperation is a crucial aspect.

The high and low-context communication model by Hall (1976) further gives an explanation of the origin of intercultural misunderstanding. Low context cultures like the UK are more explicit and direct in communication, but high context cultures like Japan or India depend more upon implicit communication and non-verbal cues. When workers with these opposite backgrounds come in contact, miscommunication is likely to occur which results to interpersonal tension or lack of open communication. According to Taras et al. (2021), the teams that have an inappropriate mix of communication styles often face delays in the decision-making process and a lack of trust.

The other important paradigm is that offered by Ting-Toomey known as face-negotiation theory that relates cultural orientation to the conflict style. Collectivist cultures tend to use avoidance or accommodation mechanisms of preserving group harmony, whereas individualist cultures tend to use the assertiveness and direct confrontation. As a result, conflict behaviour of others can be viewed by the team members as either passive or aggressive based on their cultural expectations in a global team.

Intercultural competence and cultural intelligence (CQ) is a concept that is imperative in learning how organisations can deal with such diversity. According to Liang et al. (2020), the competency of intercultural competence is defined as the capacity to understand behaviour in other cultures, regulate the emotional reaction, and choose the communicative strategies that are suitable in a particular context. The increased level of CQ helps employees and managers to adjust their style of communication and eliminate misunderstandings effectively. According to Gimenez (2023), the linguistic competence is not enough to govern global teams; cultural empathy along with interpersonal awareness are equally important.

Intercultural conflict is also associated in the literature with performance in organisations. According to Eassa (2024), unmanaged cultural tension may decrease the level of team cohesion, make the team turnover, and harm innovation, and constructive conflict, when managed in an inclusive manner, can increase the diversity in ideas and collaborative efforts. Yousef (2024) brings this into the virtual and hybrid space, with the results that remote

multicultural teams experience increased challenges because of the lack of non-verbal communication and informal communication. In order to manage conflicts effectively, however, it is crucial to go beyond cultural differences awareness and have the structural processes, including inclusive leadership and explicit norms of communication, in place to achieve equal participation.

Overall, the current literature has come to the consensus that three concepts are essential, namely: (1) intercultural conflict is an inseparable part of global teamwork; (2) conflict can be positively productive when managed with cultural intelligence and inclusive leadership; and (3) organisations that formalize ED&I models have a higher conflict resolution potential. These understandings guide the discussion of practices of Unilever in the following section.

Main Analysis

Unilever London: Multicultural Context

The example of Unilever in London is an organisational environment that is diversified in terms of culture. It employs professionals capable of working in more than 190 different nationalities, with its offices in London acting as a microcosm to its operations in the rest of the world. As mentioned in the report of Unilever, titled Equity for Impact (Unilever, 2024), the ED&I approach by the company aims to incorporate equity and inclusion throughout leadership, recruitment, and performance management. This is meant to create a culture of valuing differences and inter-boundary communication should be promoted.

But diversity in itself does not do away with conflict. Employees come with different assumptions concerning hierarchy, group work and problem solving. The framework developed by Hofstede can be used to demonstrate such distinctions: low power distance of the UK can be contrasted with employees in other cultures with a high power distance such as Malaysia or India who might be more inclined towards their hierarchies and indirectness. Equally, collectivism workers tend to give more emphasis on family harmony and individualist workers tend to have more emphasis on assertiveness. At the Unilever London offices where both orientations are represented in teams, different expectations may cause tension in the decision making process or the feedback session.

Causes of Intercultural Conflict

Differences of Communication Style:

British business culture is highly direct, and it can be interpreted as lack of politeness by the high-context employees. On the other hand, the use of indirect communication can seem evasive or undecided to the British colleagues. The competence in language and pragmatic language, as pointed out by Gimenez (2023), has to come together to facilitate successful communication. In cases where the employees do not adapt, meetings may turn out to be confusing or emotional.

Language and BELF Issues:

Unilever London office uses English as lingua franca although a variety of non-native speakers is also represented. Despite being more inclusive, differences in fluency might lead to the feeling of power disparity (Taras et al., 2021). The non-native speakers might also be reluctant to voice dissent which in future may cause resentment or lack of interest.

Hierarchy and Feedback Styles:

Unilever encourages participative leadership style, which fits the low power distance, yet not all employees are willing to oppose managers. According to Liang et al. (2020), hierarchical employees can consider direct feedback as disrespect, and Western colleagues may consider silence as not being interested. These discrepancies tend to cause conflict relating to communication etiquette expectations and power.

Hybrid Work Challenges:

The units of the London offices collaborate with other parts of the company practically after the pandemic through virtual work. Yousef (2024) states that virtual environments diminish the depth of communication cues and misunderstanding takes even more time and demand to be resolved. There is additional strain with time zone, and unreliable use of technology. Lack of informal social interaction also implies that minor cultural misunderstandings will grow without being realized until they are out of hand.

Conflict Management Strategies at Unilever

The conflict management system of Unilever is the combination of structural inclusivity, leadership development, and intercultural training. The Leadership Growth Profile of the company focuses on the psychological safety, which motivates employees to share their views with the understanding that they will not face any negative results (Unilever, 2024). This is in line with Liang et al. (2020) who posit that open communication climates do lower defensive behaviour and encourage constructive conflict management.

Another type of investment that Unilever engages in is cross cultural training. It has the U-LEARN platform that provides universal courses on unconscious bias and cultural intelligence, and inclusive communication. Such programmes reflect the suggestion provided by Eassa (2024) that unceasing education would increase the awareness of cultural dynamics among employees and can enable them to perceive behaviours more closely. Besides, the groups that allow employees in London to discuss the issues associated with ethnicity, gender and sex orientation are called the employee resource groups (ERGs) and they assist in creating empathy and informal mediation of conflicts.

Leadership is a very important aspect in handling intercultural tension. It is observed by Taras et al. (2021) that inclusive leaders, who are curious and humble enough, are capable of closing cultural differences and demonstrating open communication. The leaders at Unilever are taught how to positively utilize conflict by putting differences as a learning experience. As an example, the managers are advised to resort to the so-called speak-up channels where employees have an opportunity to bring up their concerns anonymously. This promotes equity and possible escalation is avoided.

Unilever relies on strategic technological tools in hybrid settings to create a high level of clarity. Teams have embraced the use of virtual etiquette like talking slowly, not using idioms, and recapping important issues at the end of meetings. These are in line with Gimenez (2023) suggestion that clarity and explicitness help to reduce confusion in the multilingual setting. Institutionalisation of these norms ensures that Unilever minimises the possible conflict in global teams.

Effectiveness Evaluation

The strategy that Unilever uses to deal with intercultural conflict in its operations in London shows a lot of correspondence with the modern best practices in intercultural diversity and communication management. The idea of the Equity, Diversity, and Inclusion (ED&I) strategy of the company is an institutional desire to create a culture of belonging, and the leadership and learning programs show that the company realizes the delicate nature of the issues of multicultural cooperation. Nevertheless, the effectiveness of all these measures is also to be critically regarded, especially concerning their application in practice, inter-team consistency, and the ability to be adjusted to changing hybrid working conditions.

One of the strong points of the strategy of Unilever is that it is focused on psychological safety, which is directly related to the success in intercultural communication. Psychological safety enables the workers to voice their opposing opinions, to criticize the judgments and to avail their concerns without the fear of an adverse consequence. This is directly incorporated into the training and performance review of managers at Unilever in the explicit Leadership Growth Profile. Liang et al. (2020) confirm this strategy by stating that trust-based environments reduce defensive behaviour and can resolve conflicts constructively. Psychological safety is also a very essential aspect in multicultural teams, given the fact that cultural standards of respect and subordination could impede free communication otherwise. Unilever promotes the environment where the cultural differences can be treated as learning opportunities instead of threats to the leaders through the promotion of inquisitiveness, humility, and empathy.

The other advantageous point is the U-LEARN training platform of the company that incorporates the modules of cross-cultural communication, unconscious bias awareness, and inclusive leadership. Such efforts reflect the results of Eassa (2024) who found that continuous intercultural education enhances the interpretive capabilities of the employees and diminishes stereotyping within the multinationals. When employees can grasp the more profound cultural rationale of some behaviours, then chances are that they will not have conflicts that are based on personality or incompetence. Rather, they get to learn how to contextualise differences and how to react adaptively. Investing in such learning platforms by Unilever is also an indication that intercultural competence is not an incidental skill but rather a main factor in professional development.

Regardless of these good intentions, the practice of ED&I at all the organisational levels is still not even in practice. Although the leadership of Unilever has been highly committed towards inclusion, a few employees have reported that biasness continues to exist in the organization albeit in a subtle manner in day to day affairs and in terms of performance appraisal. As an illustration, in a direct communication culture, members can be seen as less aggressive or strong-willed during a meeting, with this factor possibly affecting promotions. As Taras et al. (2021) noted, this is a typical issue in international teams, where the principles of Western culture prevail in assertiveness. The training activities at Unilever are laudable, but more focus on cultural values as determining the evaluation measures would enhance fairness in career promotion.

Besides, virtual and hybrid collaboration is an evolving issue of management. The COVID-19 crisis increased the shift of Unilever to hybrid working, as it linked the team in London to other employees in Europe, Asia, and Africa. Non-verbal feedback and spontaneous communication, however, are critical in preserving trust within a multicultural environment, which virtual communication cannot achieve. According to Yosef (2024), hybrid environments may enhance the lack of understanding since text and video messages deprive emotional undertones. Despite the fact that, the virtual etiquette rules (Unilever: do not use idioms, summarise discussions, etc.) give the company an opportunity to minimize misunderstandings, they are not able to substitute the relational richness of the face-to-face communication. Managers should thus take on the initiative of establishing connections by frequent check-ins, informal virtual coffee and setting up clear agendas to ensure cultural distance is not translated into lack of engagement.

The trade-off between international standardisation and the local cultural sensitivity is also a subject to be questioned. The corporate communication rules of Unilever are designed to encourage uniformity in all the international offices, however excessive standardisation of processes will inadvertently suppress the diverse cultural views. According to Gimenez (2023), the proper inclusivity is flexibility in a way that employees are not obliged to think uniformly but are free to express themselves using the frames of their own culture. Even though English is used as the corporate lingua franca of Unilever, which is a pragmatic approach, it sometimes strengthens Western communication standards. The non-native speech community is known to self-censure so that they do not make linguistic mistakes, which may reduce their

engagement in brainstorming or conflict resolution. Fairness and inclusion would be improved by ensuring that communication standards take into consideration multilingual realities, by paraphrasing, writing follow-ups, or using translation support.

Middle managers also play a significant role in ensuring the success of Unilever in conflict management since they are the individuals who convert the corporate values into practical use. As much as senior executives publicly declare their support of diversity, middle managers are usually pressured with operational requirements that do not give them the time to resolve the conflict. Eassa (2024) emphasizes that when inclusion is seen as a compliance exercise and not a performance facilitator, initiatives are slowed down. Ensuring that the managerial accountability is enhanced with the help of quantifiable diversity-related aims and frequent feedback surveys would guarantee that the principles of conflict management can be integrated into organizational practice and become the essential part of the routine life within the team.

Nonetheless, Unilever has managed to maintain an overall strategy that is much more effective than other multinational counterparts. It incorporates structural, educational and relational strategies, evidence of a sophisticated knowledge of intercultural complexity. Unilever looks like the rest of the corporate paradigm that is transforming, treating conflict not as disruption but as an opportunity to develop, by enabling diversity to be harnessed in an inclusive manner, to generate innovation and adaptability. The current emphasis on the development of leadership and cultural empathy in the company presupposes that the staff members are responsible to perfect their interpersonal awareness within the work environment that is becoming more globalised.

To sum it up, although Unilever has a strong model of intercultural conflict management based on research-supported principles, the model can only succeed in the long-term on the condition of further vigilance. The company should deal with unspoken biases in assessment, increase the work in hybrid environments, and enable middle managers to work as an inclusive facilitator. This will not only enhance cohesion and trust among the global teams at Unilever but also its role as an exemplary organisation in the contemporary business in terms of intercultural management.

Conclusion

Cross-cultural conflict is an inevitable aspect of cross-border working, especially when working in a cosmopolitan setting like in the case of Unilever in London. In the literature, it is shown that this conflict is majorly as a result of differences in communication styles, hierarchical expectations and the language competence. Nevertheless, it may also be used as an engine of learning and innovation provided it is controlled with the help of inclusive leadership and cultural awareness.

Diversity and inclusion give Unilever a good platform to deal with the intercultural tensions. Its training programmes, leadership models, and psychological safety programs reflect consistency with the best-practice theory and research. However, there are still issues and the challenges are more evident in the hybrid settings as the richness of communication is diminished. The next round of improvements must be made according to enhancing cultural empathy, perfecting the strategy of virtual communication, and making the voices of everyone equally important without references to language or cultural mannerism.

However, it all comes to the bottom line that proper management of conflicts in multicultural teams needs policies but needs intercultural competence at everyday level in Unilever case. With the growing interdependence of global business, organisations which are able to harness the diversity of culture as a source of strength will not only maintain harmony but also creativity and competitiveness in the changing global environment.

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