

UNIVERSITY OF WALES –TRINITY SAINT DAVID
INTERNATIONAL BUSINESS COMMUNICATIONS (LCBB6001)

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PRACTICAL PRESENTATION

INTRODUCTION

Globalisation creates business opportunities to multinational firms. However, a company operating in international markets has to deal with a number of challenges due cultural differences around the globe, especially for a joint venture (Zhang, 2020).

Octopus Energy plans to have a joint venture with the China-based Sichuan Green Science & Technology Co., Ltd. This presentation aims to identify and discuss various cultural challenges and difficulties that Octopus Energy is likely to face in China. It also provides recommendations and business communication solutions to ensure that the joint venture is successful in China.

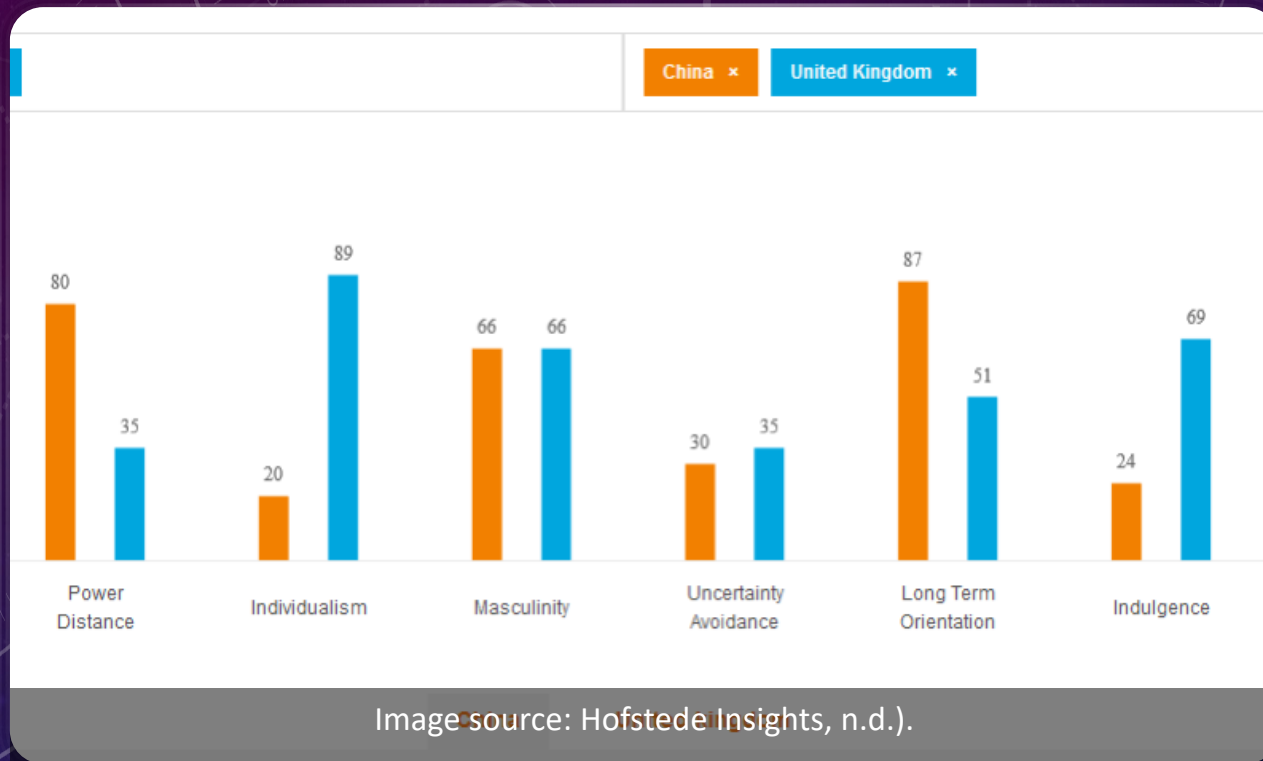
HOFSTEDE'S DIMENSIONS: BACKGROUND

Hofstede's study of cultural differences offers a good framework to understanding the range of cultural differences for different societies globally (Fan, 2020; Steers, Sanchez-Runde, and Nardon, 2010).



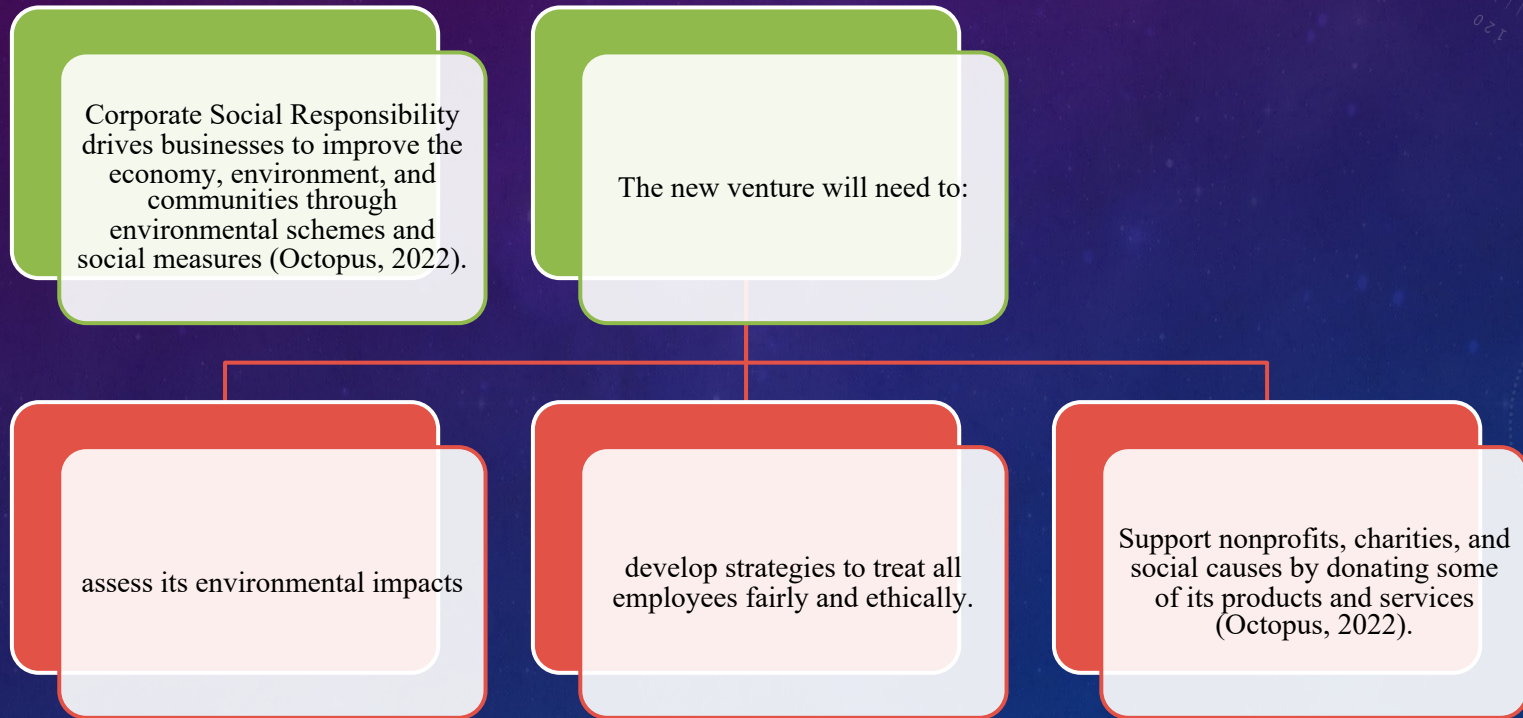
Through statistical analysis and theoretical reasoning, Hofstede recognises five dimensions along which dominant patterns of cultures can be analysed:

Power distance	Individualism versus collectivism	Masculinity versus femininity	Uncertainty avoidance	Long-term versus short-term orientation (Hofstede Insights, n.d.).
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HOFSTEDE ' S CULTURAL DIMENSIONS COUNTRY COMPARISON – CHINA AND UNITED KINGDOM

CORPORATE SOCIAL RESPONSIBILITY





CHALLENGES LIKELY TO BE EXPERIENCED BY THE OCTOPUS ENERGY IN CHINA

Language barrier and miscommunication

- ❖ Language differences can prevent proper acquisition of information, teamwork, and participation in decision-making, thereby hindering the success of the joint venture (Dignen, McMaster, 2013; Goodall, Li, and Warner, 2007)
- ❖ Miscommunication between Octopus Energy staff and Chinese subordinates can be a source of frustration. They can feel frustrated when their Chinese counterparts remain silent when in a meeting. Preserving guanxi (strong personal relationships) and fear of losing face are often cited as reasons why the Chinese are unwilling to address issues directly and openly (Goodall, Li, and Warner, 2007; Steers, Sanchez-Runde, and Nardon, 2016)



DIFFICULTY IN MANAGING HUMAN RESOURCES AND FORMING EFFECTIVE TEAMS

- ❖ Differences in team behaviour and communication styles affect how global teams are organised and managed (Deresky, 2013).
- ❖ While British workers tend to have flexible lines of authority and delegate responsibility, Chinese employees find it very daunting to be given responsibility for tasks and being asked to take initiative. These kind of differences can cause tensions between British managers and Chinese employees (Goh and Sullivan, 2010).
- ❖ In terms of staff motivation, initiating performance-based incentives targeting individuals can be challenging and may demoralise other staff. This due to the fact that China is a highly collectivistic culture (Steers, Sanchez-Runde, and Nardon, 2016).

A row of five yellow wooden figures, resembling pawns or soldiers, standing on a wooden surface. The figures are slightly out of focus, with the one in the foreground being sharper. The background is a soft, out-of-focus grey.

Decision Making Challenges

- ❖ Conflicts can arise over the ways in which decisions are made and implemented.
- ❖ As a high power distance culture, Chinese may be reluctant participating in decision-making due to their unquestioning attitude towards their superiors (Goodall, Li, and Warner, 2007).
- ❖ Also, the autocratic leadership style adopted by most Chinese leaders implies that decisions rest with the top management and rapidly accepted and implemented by employees due to high loyalty of employees to their manager and fear of consequences on non-compliance (Khairullah and Khairullah, 2013).
- ❖ When working under Chinese managers or supervisors, some British employees may feel left out in decision-making or may be slow in accepting and implementing decisions which could be a source of misunderstandings (Steers, Sanchez-Runde, and Nardon, 2016).

RECOMMENDATIONS AND CONCLUSION

In China, Octopus Energy managers and employees may encounter challenges like language barriers and miscommunication, difficulty in decision-making, and in forming effective global teams.

Recommendations for a successful joint venture



Providing cultural and language training to boost multicultural competency (Zhang, 2020; Dignen, McMaster, 2013).



To promote teamwork, managers need to ensure that all members of the team understand why the joint venture is important and why the team was formed. Also, managers should ensure that their teams have constructive group processes to facilitate joint efforts towards attaining set goals (Steers, Sanchez-Runde, and Nardon, 2016).



To ensure optimum team performance and organisational success, managers should consider group-based incentives and rewards (Steers, Sanchez-Runde, and Nardon, 2016).



Managers should make decisions aiming at achieving long-term goals rather than short-term goals, make comparatively less risky and safer decisions, and be simple and clear in explaining how the decisions should be implemented (Khairullah and Khairullah, 2013).

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