

24.11.2024

# “Cultural Differences between Rolls-Royce and Mitsubishi Heavy Industries in Strategic Partnership”



**UWTSD**  
London

**Assignment 1 – Individual Essay**

**Author: Valentin Borisov (2219028)**

**Module: LCBB6001 – International Business Communications**

**Lecturer: Afzal Munna**

## Table of Contents

|                                                                        |    |
|------------------------------------------------------------------------|----|
| 1. Introduction .....                                                  | 3  |
| 2. Companies Background.....                                           | 5  |
| 2.1 Rolls-Royce and the UK Business Culture.....                       | 5  |
| 2.2 Mitsubishi Heavy Industries and the Japanese Business Culture..... | 6  |
| 2.3 Cultural Significance and Challenges .....                         | 6  |
| 3. Hofstede's Cultural Dimension Theory .....                          | 7  |
| 4. Additional Communication Theories .....                             | 13 |
| 4.1 Edward T. Hall Theory for High-/Low Context .....                  | 13 |
| 4.1.1 Direct vs. Indirect Communication .....                          | 13 |
| 4.1.2 Conveying Nuanced Messages .....                                 | 13 |
| 4.2 Trompenaars' Dimensions.....                                       | 14 |
| 4.2.1 Universalism vs. Particularism .....                             | 14 |
| 4.2.2 Achievement vs. Ascription .....                                 | 14 |
| 5. Potential Risks and Challenges .....                                | 15 |
| 5.1 Potential Risks .....                                              | 15 |
| 5.2 Challenges in Teamwork and Delivery .....                          | 15 |
| 6. Recommendations for Effective Cross-Cultural Communication .....    | 16 |
| 6.1 Strategies to Overcome Communication Barriers .....                | 16 |
| 6.1.1 Training Programs on Intercultural Communication .....           | 16 |
| 6.1.2 Incorporating Cultural Liaisons or Interpreters.....             | 16 |
| 6.1.3 Use of Shared Digital Platform.....                              | 16 |
| 6.2 Leadership Strategies for the Country Director .....               | 17 |
| 6.2.1 Balancing UK's Efficiency with Japan's Collaborative Style ..... | 17 |
| 6.2.2 Promoting Trust and Mutual Respect .....                         | 17 |
| 6.2.3 Setting Clear Communication Protocols.....                       | 17 |
| 7. Conclusion .....                                                    | 18 |
| References: .....                                                      | 19 |

## 1. Introduction

Intercultural communication has evolved into one of the fundamental practices for international business success in the context of today's global economy. Regardless of the tensions, conflicts, or competitions, interaction between two or more different cultures tends to encourage synergy and innovation. The similarities and differences in the realms of communication between the British and Japanese people are analysed, with particular attention to the joint ventures of the British company Rolls Royce and the Japanese company Mitsubishi Heavy Industries.

### **Importance of Intercultural Communication in International Business**

Cross-border collaborations are determinants of today's business environment. This means that it is important to learn about intercultural cooperation. Yet, these people fail to consider the variations in culture, communication style and value, all of which are critical to collaboration (Ohta and Sano, 2022). By using effective strategies to address the issues these differences pose, businesses can build trust, increase effectiveness, and accomplish shared objectives in collaboration.

### **Introducing Rolls-Royce and Mitsubishi Heavy Industries**

Globally, the aerospace and engineering industries are the driving forces behind technological innovations and economic growth. When it comes to integration of advanced technologies, it's know-how in cutting-edge jet engines and power systems that Rolls-Royce is famous for, whilst MHI specializes in heavy machinery and engineering. Their joining of hands leads to the fusion of Western inventiveness with Eastern meticulousness to create more sophisticated aerospace technologies.

### **Significance of Their Partnership**

The alliance that exists between these two firms, Rolls-Royce and MHI brings to light the need for the integration of cultural contributions in order to leverage the competitive advantage in the aerospace industry. Nonetheless, such success is contingent on negotiation of cultural differences which include approaches towards decision making and communication that are essential for completion of projects in good time or successful outcomes of the projects (Okamura, 2009).

### **Purpose of the Essay**

Using intercultural communication theories, this essay examines the communication problems that arise when working with UK and Japanese teams, as well as how these concepts can help identify problems and provide solutions. Identifying such challenges will be handled using theoretical frameworks such as Hofstede's Cultural Dimensions, High-/Low-Context Communication Theory by Edward T. Hall, and Trompenaars' Dimensions of Culture (Nicholls, 2009).

## 2. Companies Background

### 2.1 Rolls-Royce and the UK Business Culture



The British business environment appears to be characterized by a strong emphasis on individualism and effectiveness, which impacts aspects of business conduct and modes of communication. As in the case of Rolls-Royce Corporation, British companies operate in a context of low-context, task-focused communication. This type of communication approaches decision-making with a strong regard for clarity, directness, and independence, which is consistent with the UK value of placing responsibility on the individual (Hendry, 2019). Employees are encouraged to state their views in a clear manner as well as be more precise on the results of business dealings rather than the duration of partnerships.

This is indeed the case with Rolls-Royce as the aerospace organization seeks to be an efficient leader. Technical competence augmented by time management are core values for the firm and this, in a way, permeates through their communication and management processes. The low-context culture means that people discriminate about what they say and say what they want to be understood about business operations and technical relations (Booth, 2006).

## 2.2 Mitsubishi Heavy Industries and the Japanese Business Culture



On the other hand, business culture in Japan where MHI is situated in a group-oriented approach, focuses on social harmony. This communication style is high-context and therefore is based on implicit comprehension, common experience, and body language. In the case of different branches of our partner MHI Company, decisions are made bilaterally or rather jointly with a high regard for the consideration of all and avoiding disputes (Jensana, 2010).

Japanese businesses respect places in the hierarchy and accept responsibilities collectively. To come up with a decision at last, the employees often participate in endless discussions to secure all parties' interests. This pattern is a result of a more conservative socio-cultural value system that would place a higher emphasis on togetherness than persuasion and individualism which may be quite the opposite in businesses of the UK (Hirschmeier and Yui, 2018).

## 2.3 Cultural Significance and Challenges

Cultural factors such as the high regard for hierarchy in the Japanese culture as well as the means of solving conflict can be barriers to effective management of cross-cultural teams especially consisting of UK and Japanese members. Collaboration effectiveness is also hampered by time differences and language. For example, UK teams may perceive Japan's focus on seeking everyone's opinion and making decisions by consensus as a rather prolonged process whereas for the Japanese, the UK's plain and unreserved manner can be classified as aggressive or even rude (Booth, 2015).

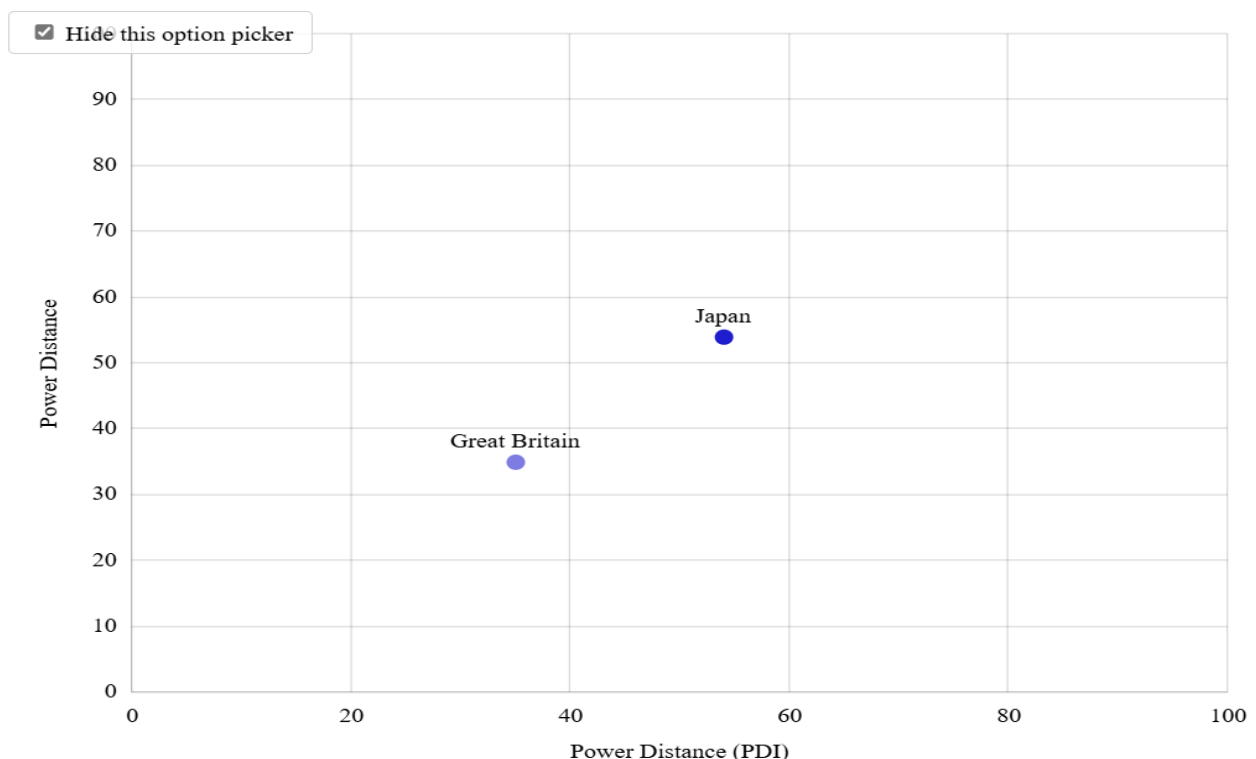
The gap in communication nodes can also create problems in project execution. An appreciation of the cultural factors at play is important in ensuring the integration of both cultures into the team by finding solutions to the existing cultural tensions.

### 3. Hofstede's Cultural Dimension Theory

To be successful, global collaborations such as the one between Rolls-Royce UK and Mitsubishi Heavy Industries (MHI) Japan require a deep awareness of cultural differences. Hofstede's Cultural Dimensions Theory offers a solid foundation for managing these disparities and creating productive collaboration. By analyzing the dimensions, strategies can be established to align the two firms' approaches and capitalize on their respective strengths.

#### The Power Distance Index (PDI)

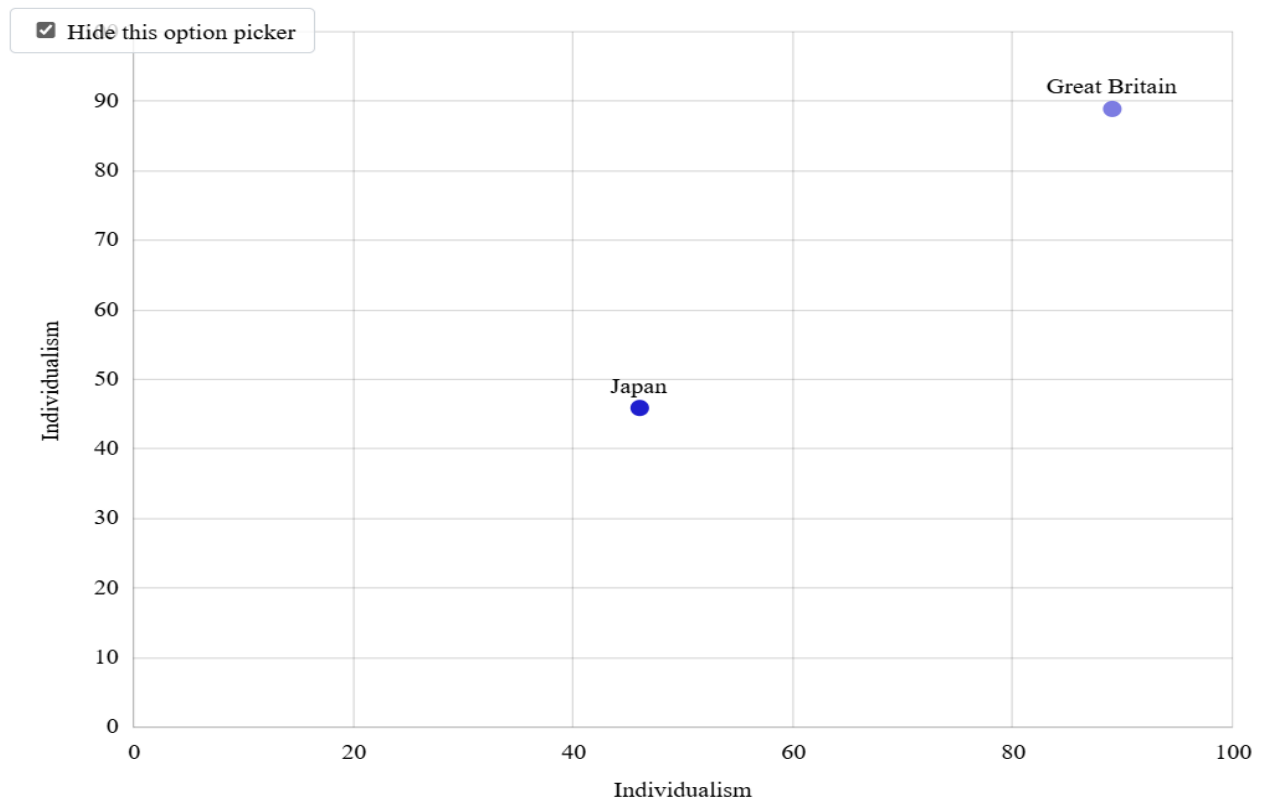
Figure 1: Power Distance Index - <https://geerthofstede.com/country-comparison-graphs/>



The UK prefers egalitarian relationships and participatory decision-making, as seen by its low Power Distance Index (35). In contrast, Japan's slightly higher PDI (54) values hierarchy and clear authority. To address these contrasts, the partnership should respect Japanese teams' hierarchical structures while fostering open communication, which is characteristic of the British workplace (Zainuddin et al., 2018).

## Individualism versus Collectivism (IDV)

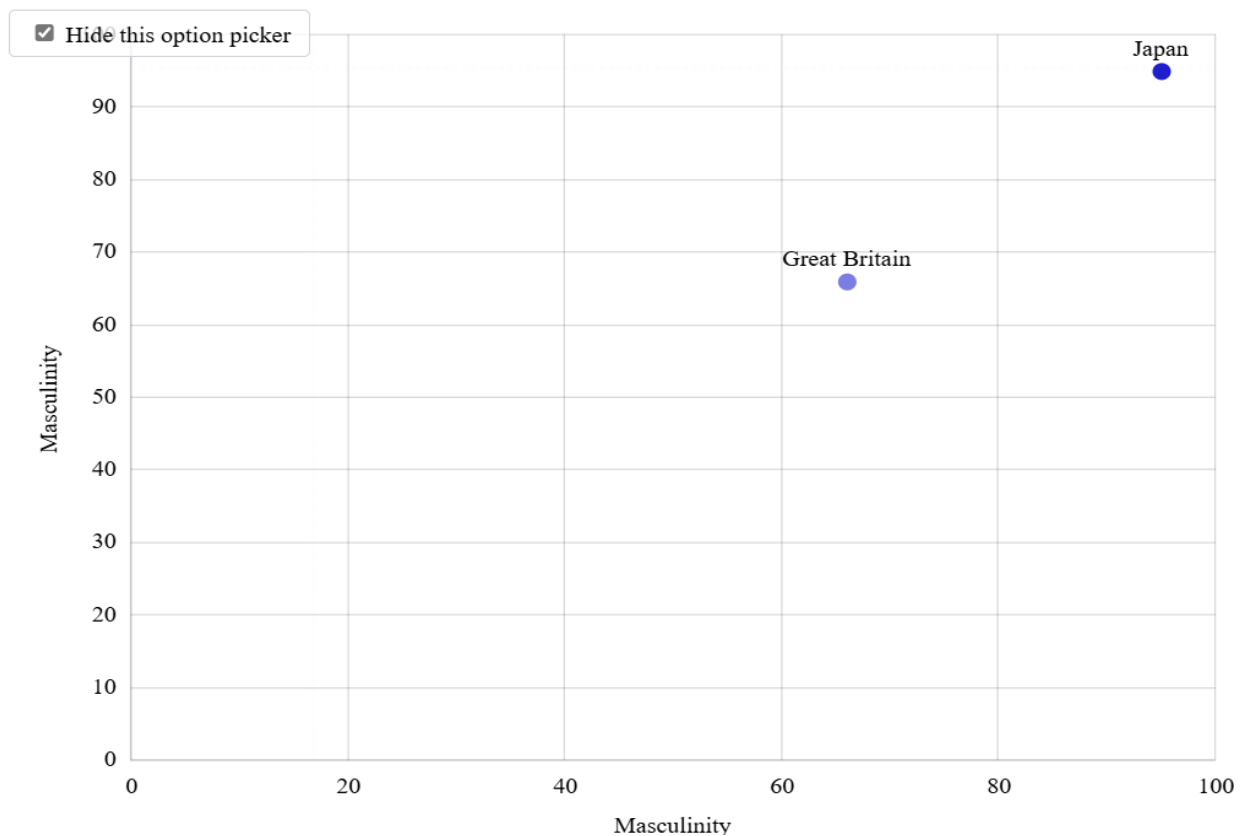
Figure 2: Individualism Index - <https://geerthofstede.com/country-comparison-graphs/>



Individualism in the United Kingdom emphasises personal initiative and achievement, whereas collectivism in Japan encourages social harmony and consensus. This variance necessitates a specialised response. To match with Japan's group-oriented approach, collaborative projects should emphasise teamwork and communal problem resolution. However, opportunities for individual recognition might be included to drive British team members (Zainuddin et al., 2018).

## Masculinity vs Femininity (MAS)

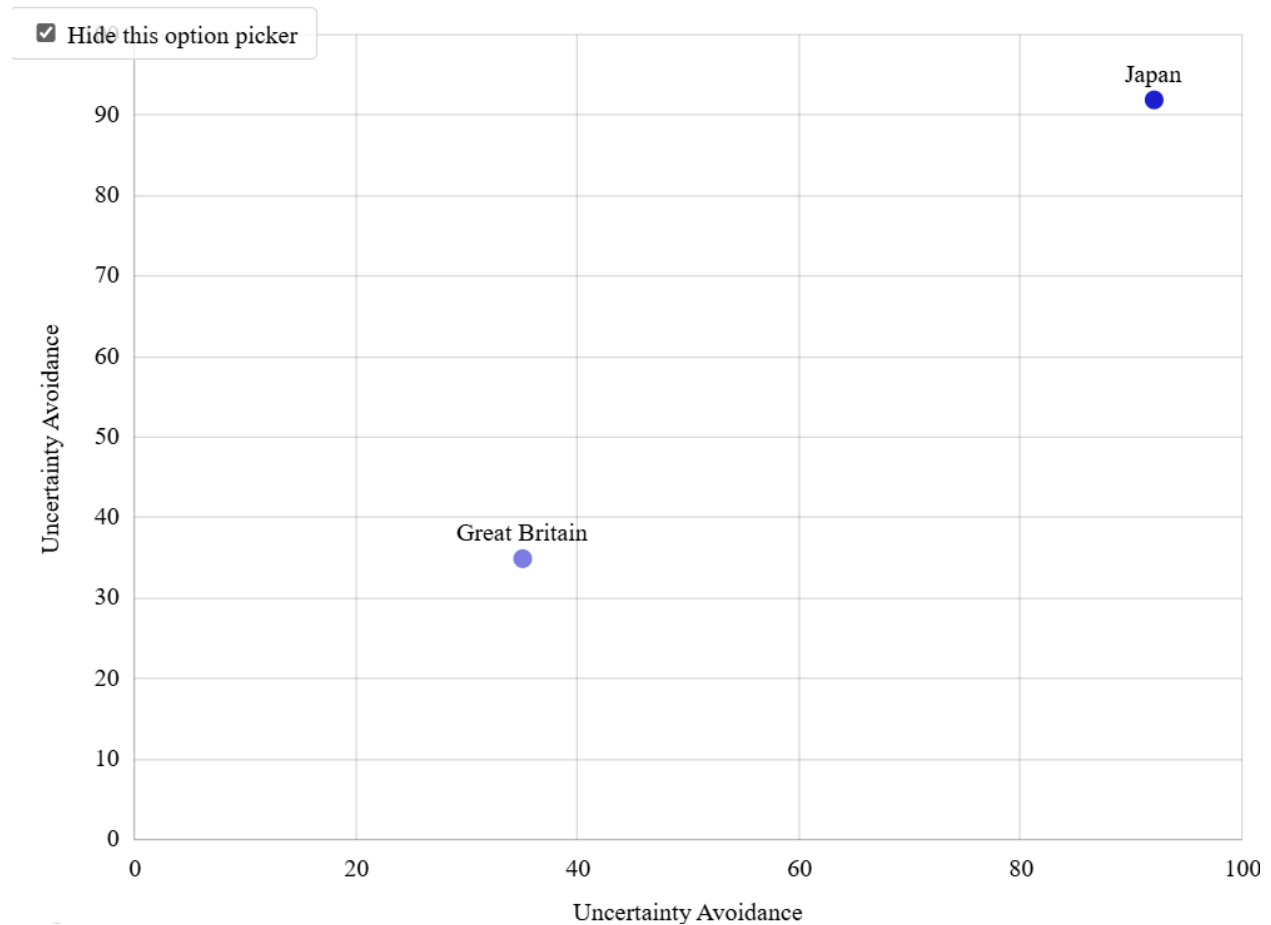
Figure 3: Masculinity Index - <https://geerthofstede.com/country-comparison-graphs/>



While both cultures prioritise male values, Japan lays a greater focus on competition and performance. The collaboration can capitalise on this shared emphasis by establishing high goals that drive both teams. For Japanese stakeholders, emphasising measurable success and competition can boost performance, whereas the UK team's balanced emphasis on achievement and quality of life can contribute to a sustainable working environment (Zainuddin et al., 2018).

## Index of Uncertainty Avoidance (UAI)

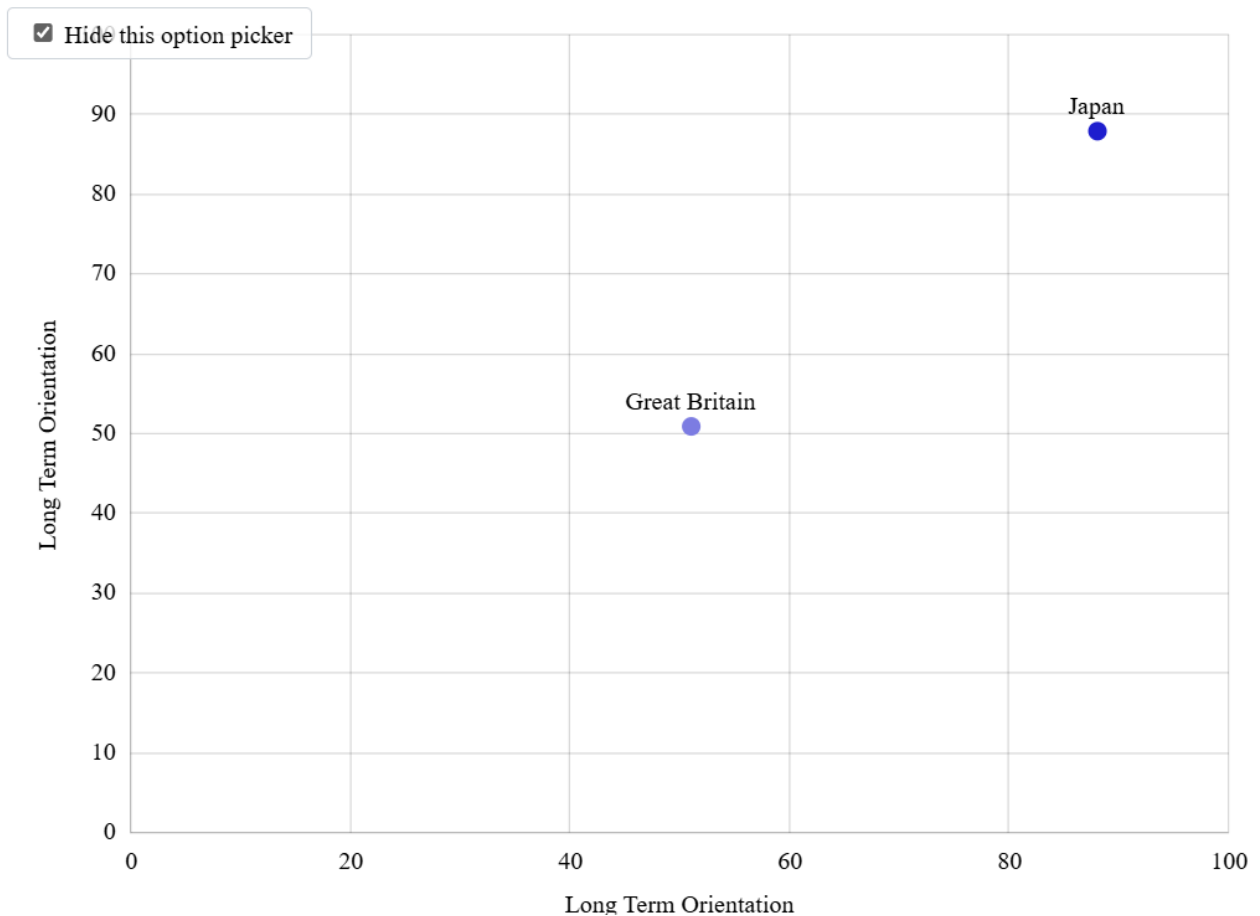
Figure 4: Uncertainty Index - <https://geerthofstede.com/country-comparison-graphs/>



Japan's high UAI suggests a propensity for thorough planning and risk reduction, while the UK's low UAI shows an openness to risk and flexibility. This distinction requires thorough preparation and discussion. Project schedules and plans should incorporate careful attention to detail and backup plans in order to meet Japan's structural requirements (Zainuddin et al., 2018).

## Long-Term over Short-Term (LTO)

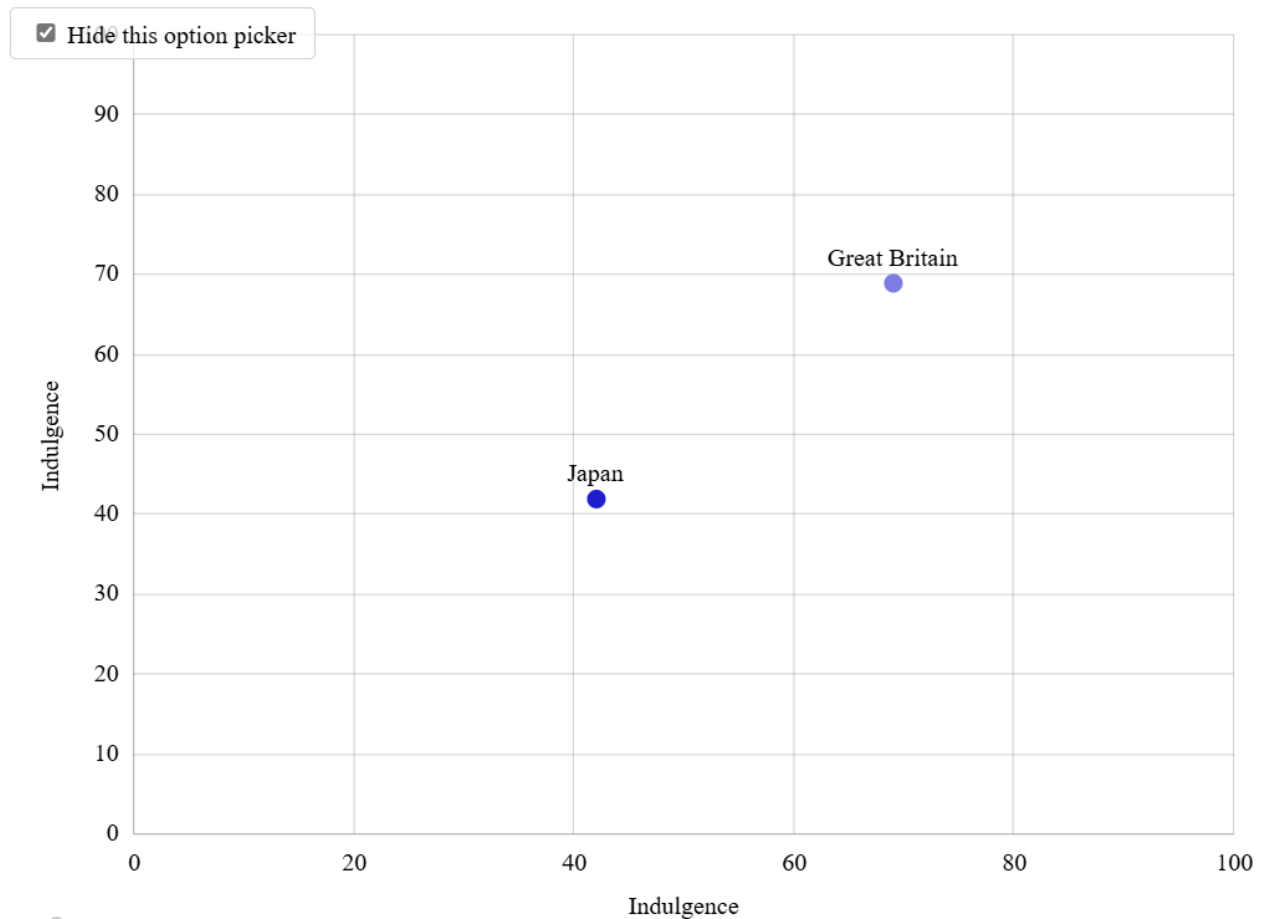
Figure 5: Long Term Orientation Index - <https://geerthofstede.com/country-comparison-graphs/>



Japan's long-term orientation focusses steady progress and future benefits, whereas the UK's short-term orientation prioritises rapid results and conventional methods. These viewpoints should be incorporated into the collaboration by creating a common vision that strikes a balance between short-term deliverables and long-term goals (Zainuddin et al., 2018).

## Restraint vs. Indulgence (IVR)

Figure 6: Indulgence Index - <https://geerthofstede.com/country-comparison-graphs/>



In contrast to Japan's restrained culture, which highlights discipline and conformity to societal standards, the UK's indulgent society places a higher priority on work-life balance and personal satisfaction. To close this gap, a work environment that incorporates aspects of freedom that the UK values while honouring Japan's structured approach must be established (Zainuddin et al., 2018).

Theory such as Hofstede's can be used to analyse the processes that influence the cultural aspect of cooperation between Rolls-Royce and MHI. As the leaders identify such differences, they can devise ways to improve understanding between the parties. In this regard, the use of cultural mediators as well as cross-cultural training may help close those gaps and improve relations among the participants.

## 4. Additional Communication Theories

### 4.1 Edward T. Hall Theory for High-/Low Context

Hall's High-/Low-Context Communication Theory explains the communication styles of the UK and Japan. According to Hall's High-/Low-Context theory, cultures may be placed on a scale depending on how they communicate. The UK depends on a less context culture wherein interpretations are clear, brief, and self-contained. On the other hand, Japan's culture is more oriented to indirect communication, where context and non-verbal actions are highly utilized (Brown et al., 2012).

However, in the partnership of Rolls-Royce with MHI, these factors can cause misinterpretation. For instance, Japanese members of the team may assume to use non-assertive agreement feedback that is considered an agreement by British colleagues. In the same vein, the competitively strong British colleagues may be obnoxiously direct and overly so which the Japanese culture perceives as aggressive.

#### 4.1.1 Direct vs. Indirect Communication

The British context is low in context where individuals value clear and straight communication. To employees, such ideas are expressed with little vagueness, placing an emphasis on technical details. This directness however may come across as aggressive or rude in Japan (Okamoto, 2011).

The Japanese context is high, messages are delivered in rough manners which are not always spoken. For example, a Japanese employee of MHI who has some level of disagreement may say nothing or say something vague, which the people from the UK may view as the person agreeing or being spineless.

#### 4.1.2 Conveying Nuanced Messages

Japanese communication is highly context-dependent which assumes a common cultural background and understanding, and that can be problematic in cross-border teams. For instance, Rolls-Royce employees might miss out on more subtle cues, non-verbal cues for that matter, which could lead to misinterpretations (Okamura, 2009).

## 4.2 Trompenaars' Dimensions

Trompenaars' model further enriches the analysis by exploring values and attitudes in cultural interactions:

### 4.2.1 Universalism vs. Particularism

In the UK, the universalistic model is adopted which promotes rule and consistency. This is what is seen in the standard procedures deployed in Rolls-Royce. On the contrary, because of Japan's particularistic culture, there is a consideration of relationships and circumstances when making decisions, and solutions are often crafted for particular contexts (Shimoni, 2017). The UK's legal exemplifications lend themselves to a more Universalist approach, which is in stark contrast with Japan's particularism inclination that emphasizes interpersonal bonds and background (Yoshino, 2013).

### 4.2.2 Achievement vs. Ascription

Achievement is a central concern in British firms and therefore they rely on expertise instead of hierarchy in organizational setups. In contrast to this, MHI and other Japanese firms embody a culture of authority being ascribed due to age, or length of service which affects the level of appreciation of decisions made and how they are implemented in practice (Okamoto, 2011). The organisations in the UK within sectors such as Rolls-Royce promote an egalitarian culture with importance assigned to the value of performance. Conversely, Japan has an established hierarchy that places more importance on age and title than effort (Yoshino, 2013).

## 5. Potential Risks and Challenges

### 5.1 Potential Risks

#### 5.1.1 Miscommunication in Project Management

A case study involving Rolls-Royce and MHI demonstrates how the differences in communication styles can result in delays in project implementation. Team members from the UK may want swift feedback and resolution, while their Japanese counterparts could be inclined to wait and discuss a number of times to get an agreement. Such situations may cause tensions and expectancy gaps (Bargiela-Chiappini, 2009).

#### 5.1.2 Conflict Resolution

The UK also avoids the build-up of conflicts by allowing openly for differences to have a voice in the matter. Japanese teams on the other hand often refrain from addressing issues head-on but rather contribute towards the resolution of issues indirectly or through a third party. Such differences can also obstruct the resolution of conflicts promptly during collaborative ventures.

### 5.2 Challenges in Teamwork and Delivery

The Interplay of these cultural differences creates several challenges:

1. Team Cohesion: Indirect communication leads to misunderstandings which may weaken bonds and collaboration.
2. Project Timelines: Regarding perfectionism in decision-making, Japan may take unnecessary time which contrasts with the UK's time-efficient decision-making culture.
3. Leadership Expectations: Japanese organisational structures embedded in the hierarchy may be a struggle for UK leaders while British leadership pungency may appear as too mild and over straightforward for the Japanese teams (3. Okamura, 2009).

Understanding these dynamics is crucial for mutual respect and improving teamwork in Uk-Japan collaborations.

## 6. Recommendations for Effective Cross-Cultural Communication

### 6.1 Strategies to Overcome Communication Barriers

#### 6.1.1 Training Programs on Intercultural Communication

The introduction of intercultural training for Rolls-Royce and MHI teams is important in increasing cultural diversity awareness. Such programs should aim at the respective communication styles, values, and expectations of both cultures to avoid any misconceptions. It has been demonstrated that team cohesion in culturally diverse work environments can be enhanced through structured training programs (Ohta and Sano, 2022).

#### 6.1.2 Incorporating Cultural Liaisons or Interpreters

Cultural liaisons or bicultural staff are instrumental in bridging most communication barriers through the provision of dialogue and interpretation of context. This strategy makes it possible for nonverbal cues present among high-context cultures such as the Japanese to be grasped by low-context British. Research underscores the contributions of cross-cultural contact mediators in the reconciliation of conflicts and relationships in multi-cultural teams (Okamoto, 2011).

#### 6.1.3 Use of Shared Digital Platform

Using shared digital platforms like project management tools can bring similar communication patterns and significantly optimize workflows. Microsoft Teams or Asana are also very helpful tools in such functions because of the instantaneous provision of information, translation of language, and document sharing. Such theoretical concepts help avoid confusion and all members of the team are ensured to receive the same information regardless of where they are positioned or what language they speak.

## 6.2 Leadership Strategies for the Country Director

### 6.2.1 Balancing UK's Efficiency with Japan's Collaborative Style

Aspects arising from the functional culture of the UK are efficiency while that arising from Japanese culture is harmony and consensus. The uniqueness of the two aspects can guide teams' leaders in the right direction where both aspects are essential for a healthy team atmosphere (Ohta and Sano, 2022).

### 6.2.2 Promoting Trust and Mutual Respect

Having and building trust is the beta stage before collaboration can begin. Leaders need to be open about issues and consider aspects like how to address individuals within the culture and nonverbal aspects. This may lead to better interpersonal relations and can help in construction s of barriers of misunderstandings (Okamoto, 2011).

### 6.2.3 Setting Clear Communication Protocols

In the case that such communication protocols are not established, there will be inconsistencies in the sending and receiving of messages. For example, these can be common templates for discussions on technical issues, or common days and times when virtual meetings are held with common topics to be addressed.

These Strategies collectively address the complexities of managing cross-cultural teams, paving the way for improved collaboration between Rolls-Royce and MHI.

## 7. Conclusion

The significance of multicultural interactions in the context of international business connections and integration is demonstrated by the relationship between Rolls-Royce and MHI. The two main areas of cross-cultural management between the UK and Japan have been the subject of this study. It emphasises how the UK tends to be more individualistic, low-context, and time-oriented, but Japan is more collectivistic, high-context, and relationship-oriented. These discrepancies have an impact on decision-making, dispute resolution, and project management, which creates issues during work and delivery.

There is no end to the importance of cultural integration in developing successful partnerships. MHI and Rolls-Royce can enhance their collaboration by adopting a culture-conscious communication framework, using cross-cultural training solutions, and implementing leadership practices that incorporate the best of both cultures. Bringing into practice various theories of intercultural communication in business within a practical context reduces the chances of misconceptions, develops trust, and enhances relations that guarantee sustainability in the end.

## References:

1. Bargiela-Chiappini, F. (2009). *The handbook of business discourse*. Edinburgh: Edinburgh University Press.
2. Booth, A. (2006). *Japanisation*. Palgrave Macmillan UK eBooks, pp.165–189. doi:[https://doi.org/10.1057/9780230800601\\_8](https://doi.org/10.1057/9780230800601_8).
3. Booth, A., (2015). Japanisation. In *The Management of Technical Change: Automation in the UK and USA since 1950* (pp. 165-189). London: Palgrave Macmillan UK.
4. Brown, S.L., Hayashi, B., & Yamamoto, K. (2012). *Japan/Anglo-American Cross-Cultural Communication*. DOI: [10.1002/9781118247273.CH13](https://doi.org/10.1002/9781118247273.CH13)
5. Hendry, J. (2019). *Understanding Japanese Society*. Routledge eBooks. Informa. doi:<https://doi.org/10.4324/9781351179911>.
6. Hirschmeier, J. and Yui, T., (2018). *The development of Japanese business, 1600-1980*. Routledge.
7. Inoue, Y., (2007). *Cultural fluency as a guide to effective intercultural communication: the case of Japan and the US*. *Journal of Intercultural Communication*, 7(3), pp.1-13.
8. Kameda, N., (2001). *The implication of language style in business communication: focus on English versus Japanese*. *Corporate Communications: An International Journal*, 6(3), pp.144-149.
9. Nicholls, J., (2009). *The Impact of the Telegraph on Anglo-Japanese Diplomacy during the Nineteenth Century*. *New Voices*, 3, pp.1-22.
10. Ohta, R. and Sano, C., (2022). *Rural Easy Japanese as a method of mitigating language barriers among foreigners seeking medical care in rural Japan*. *Cureus*, 14(7).

11. Okamoto, K., (2011). *Language needs and benefits of cultural mediators in overseas Japanese companies. International Journal of Employment Studies*, 19(1), pp.1-25.
12. Okamura, A., (2009). *Do English speakers address their Japanese colleagues by their first name, while talking in English in Japan?*.
13. Shimoni, B., (2017). *A sociological perspective to organization development. Organizational Dynamics*, 46(3), pp.165-170.
14. Takai, J., (2017). *Intercultural communication study in Japan. The International Encyclopedia of Intercultural Communication*, pp.1-10.
15. Tanehashi, A.J., (2010). *Factores culturales y negocios en Japón. ICE, Revista de Economía*, (856).
16. Yoshino, K., (2013). *English and nationalism in Japan: The role of the intercultural-communication industry. In Nation and nationalism in Japan* (pp. 135-145). Routledge.
17. Zainuddin, M., Yasin, I.M., Arif, I. and Abdul Hamid, A.B. (2018). *Alternative Cross-Cultural Theories: Why Still Hofstede?* [online] papers.ssrn.com. Available at: [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3309633](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3309633) [Accessed 13.11. 2024].