Multiple-Cultural Conflict Management Tactics in OBOR Strategy

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Abstract. The paper discusses tactics of organizational culture and organizational performance in the context of globalization. The survey from local enterprises shows that organizational culture can significantly affect innovation performance. This paper takes organizational culture strategy as intermediary variables to study the relationship between organizational culture and organizational performance. The survey from local state grid corporations shows that organizational culture can have significant predictive power on performance and organizational learning acts as a significant moderator. This research provides useful tools for organizational performance management in the context of globalization.

1. Introduction Literature
With a major project of the "Belt and Road" initiative, it is the inexorable trend that multinational enterprises operate in translation in the economic globalization. There are problems of communication impediment and cultural differences in the cross-culture operation of internationalized enterprises[1]. Among different national, regional and national culture, cultural differences reflected in many aspects, including traditional culture, values, customs, religious beliefs, ways of thinking, code of conduct, etc., so a necessary side effect of all is that contradictions and conflicts be ultimately expected. Based on this, this paper adheres to culture-leading, and makes cross-cultural operation "propeller" of international business. One of the important tasks is to pay great attention to management culture. This paper will be against the background of the organizational culture, discusses culture management tactics. The result provides useful reference to develop culture management in large multinational corporations.

2. Review and Statement of Hypothesis
International business is seen to present opportunities to combine resources such as capability and knowledge to develop new products or services and thus innovate; As the result, the number of such international business continues to increase. However, Tidd and Izumimoto argued that not all of these overseas businesses are successful. A number of studies have noted problems, which seem to be inevitably associated with these alliances, in cooperating with a partner from a different national culture. But Barkema and Vermeulen pointed to issues about cultural differences[2]. Beamish showed that there was significant dissatisfaction with their performance, which may be attributable to these cultural differences [3]. According to the survey, two thirds of the failure of transnational investment
and acquisition is due to the failure of cultural integration. The mark of different countries and regions of strong unique social culture, regional culture, formed significant cultural differences from the different education and culture background and value system of enterprise decision makers, employees. Cross-cultural conflict refers to a dynamic state of resistance from the different forms of culture or cultural elements, it refers to both conflicts among multinational companies and contains in an internal enterprise because employees belong to different cultural nation.

H1: Organizational cross-cultural strategies in multinational business activities can promote Organizational performance.

The differences and conflicts between different cultures are mainly manifested in four aspects, namely, corporate material culture, behavior culture, institutional culture and spiritual culture. According to Nancy Adler, there are three strategies for solving cross-cultural conflicts: superseding culture, compromise culture and integration culture. Superseding culture manifest as dominating culture that is superior to other cultures. Organizational decisions and behaviors are governed by this culture. Compromise culture refers to deliberately ignore cultural differences between different cultures, so as to seek common ground while reserving differences to achieve harmony and stability in the organization. Integration culture refers to the mutual respect, complementarity and coordination between different cultures on the basis of recognition of each other’s differences, thus forming a new organizational culture that is you and I are in oneness [4].

Some scholars have proposed several strategies to solve the intercultural conflicts. Localization strategy. Usually multinational enterprises to invest overseas, it is necessary to employ a number of local staff, so it is effective to management personnel localization, brand localization and marketing channel localization. The second is cultural migration strategy. The core is that the management of important positions of transnational corporations in subsidiaries around the world is held by home country staff. So, the home country's culture and habit fully transplanted to the developing countries or subsidiary in the host country, let employees in the subsidiary gradually adapt to and accept the foreign culture and operate the daily business of the company according to the working mode of this cultural background. The third is cultural "grafting". That is that home country culture as the main unit graft host country culture to its own culture. Specifically based on the parent company, overseas subsidiaries according to local conditions, formulate specific policies and measures. The fourth is cultural compatibility strategy. If two companies have the complemented resources, the compatible goal, and the similar organizational and cultural, they will much easier to form a strategic alliance. The last is cultural avoidance strategies. When there is a huge cultural difference between countries, the parent company culture avoidance strategies can be used with the help of third party culture with a more neutral, and a certain consensus of host country culture to control and manage subsidiaries [5].

H2: The optimal organizational cross-cultural tactic in multinational business activities is win-win tactic.

As can be seen from above analysis, contradictions and conflicts be ultimately expected between cross-cultural cooperation. Strategic interaction on organizational cross-culture is shown in Table 1.

| Letters inside table represents the appropriate response to the tactics. |
|---|---|---|
| Superseding culture | (a,b) | (c,d) |
| Integration culture | (e,f) | (g,g) |

3. **Data Analysis**

3.1 **Questionnaire design and data collection**

To ensure reliability and validity of research tools, this study adopts scale as used in the existing literature, and carries through appropriate modification in aim of present study.
Basing on main referential literature, organizational culture is divided into cultural compatibility, cultural heritage assimilation and culture update. Internal consistency coefficient is 0.94.

Organization performance scale mainly uses for reference of WangHui Tsui' research in domestic enterprises and designs items, such as "addition to net profits", "addition to sales", "addition to asset", "employee morale" and "market share" etc. Respondents fill out questionnaire after comparing their own enterprise and competitive enterprise. The all item uses Likert7 scale except for enterprise basic situation. The internal consistency coefficient is 0.93. In this study, we use Likert seven evaluation criteria to test the variables.

Organization cross-cultural conflicts scale mainly uses for reference of Nancy Adler' research: superseding culture, compromise culture and integration culture. For the convenience of research, this study integrates cultural strategies into two kinds: superseding culture, and integration culture.

### 3.2 Reliability and Validity

The standardized coefficients of each observed variable are more than 0.70, the AVE value of each variable is than 0.5, and the square root of AVE variables are greater than the correlation coefficient of the variable with other variables, which indicates the variables have good introverted validity and discriminate validity.

### 3.3 Hypothesis Testing

The paper uses the LISREL 8.70 software for data analysis. We can read the results in table 2 and table 3.

| Variable | 1  | 2  | 3  |
|----------|----|----|----|
| Organizational culture | 0.84 |    |    |
| Organizational cross-cultural conflicts tactics | 0.31 | 0.88 |    |
| Organizational performance | 0.21 | 0.38 | 0.79 |
| Cronch(α) | 0.84 | 0.92 | 0.95 |

| Assumption | Standard value | T value | Results |
|------------|----------------|---------|---------|
| H1 Organizational performance ←Organizational culture | 0.86 | 0.90 | yes |
| H2 Organizational performance ←integration cultures tactics | 0.75 | 1.48 | yes |
| H3 Organizational performance ←superseding culture tactics | 0.45 | 0.43 | No |

Chi-Square=132.45, df=81, RMSEA=0.052, NFI = 0.92, NNFI = 0.97, CFI = 0.96, IFI = 0.96, GFI= 0.90, AGFI = 0.85

### 4. Conclusion and Discussion

Organizational culture has significant positive effects on organizational performance in "one Belt one Road". Further this research examines the relationships between organizational culture tactics and organizational performance. Different cooperations will experience from non-cooperation to cooperation in interactive course. The tactics of culture will be integration cultures with high profit, it's a gradual process that can take a couple years to yield significant results with several steps. Cross-cultural conflicts in transnational enterprises lies in several aspects [6]: first, to enhance cross-cultural identity. Second, to consider cross-cultural factors in decisions. Thirdly, to pay attention to recruit and
assign cross-cultural management talents. Fourth, to strengthen communication. Fifth, to conduct cross-cultural training.

References
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