

Intercultural HRM Study on “Culture Clash” from Chinese Enterprises Investment in Brazil

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ABSTRACT

With the advent of globalization, the enterprises in our country are increasingly diverse and multicultural. This study will see that the enterprise human resource management (HRM) must be knowledgeable about intercultural communication on both the domestic and abroad. By promoting training in intercultural communication competencies throughout the enterprises in our country, the enterprises human resource can better serve the company successfully to achieve its mission and goals. Therefore, the article takes Chinese enterprises' “Culture Clash” in Brazil for the case study, deeply analyzes the intercultural conflicts that the Chinese enterprises in Brazil have met, discusses the reasons why the Chinese enterprises still have met from an intercultural communication perspective, and then put forward some suggestions to improve intercultural communication competences for human resource management in the Chinese enterprises and promote the development and cooperation between the Chinese and Brazilian enterprises, so as to make the enterprise leaders and managers in our country pay much attention to the this hot topic and to training in intercultural human resource management.

Keywords: Chinese enterprise, intercultural communication, intercultural communication competence, human resource management, business management, China, Brazil

1 INTRODUCTION

China and Brazil, though far apart geographically have seen continuous and remarkable development in bilateral trade in recent years, with great potential for the future. China displaced the United States of America as Brazil's number one trading partner in 2008; the annual trade balance between the two nations has grown exponentially over the last decade and is now in the range of \$36 billion. In May of 2009, they also signed a \$10 billion oil agreement. China is now the largest destination for Brazilian exports and one of the largest buyers of Brazilian mining resources. An estimated 84 percent of China's imports from Brazil are raw materials and agricultural goods including iron ore and soybeans. The huge Chinese demand for the commodities drove an 18 fold increase in Brazil's exports to China between 2000 and 2009. The soaring China-Brazil trade has spurred Chinese investment in Brazil. In 2009, China's investment was less than \$ 300 million, but the figure rose dramatically to a high of \$17 billion in 2010, making China the largest foreign direct investor in Brazil. As the two economics are complementary, China-Brazil trade will continue to grow by double digits in 2011 --- though not as fast as last year – to probably “\$70 billion”. [1]

However, one piece of news “ Culture clash complicates China's Brazil push” was delivered on different web sites and newspapers at both domestic and abroad in May, 2011. It aroused the public of both domestic and abroad to pay much attention to the news. Especially, many comments made by different peoples from China and Brazil have been made on the Internet. Such intercultural tensions have become a stumbling block in an otherwise meteoric rise in business ties between China and Brazil, two of the world's fastest-growing economies. Thus, the author tries to further study the case and deeply analyze the case so as to make the Chinese enterprise leaders and managers pay much more attention to intercultural human resources management in crossing-border enterprises management and to pushing our enterprises' rapid and stable development in foreign countries.

2 A Case

At the present time, it is said that Chinese companies in Brazil have been finding it difficult to retain workers, even in management positions. A survey of 500 Brazilian executives working for Chinese, North American and European companies recently conducted by the Michael Page International recruitment firm for the newspaper Folha de S. Paulo found that 42 percent of Brazilian executives working for Chinese companies left their jobs

within a year, a 68 percent higher turnover rate than found in the firms studied. [2]

Meanwhile, Brazilian workers complain that their Chinese employers don't understand the country's culture of developing personal relationships among co-workers. Brazilians also bristle against a centralized office hierarchy that puts little trust in local executives.

And then "The cultural misunderstanding are going to frustrate the development of Chinese business in Brazil," said Marcelo de Lucca, director of Michael Page's Brazil operation. "Multinational companies, when they arrive in Brazil or any country have to adapt to the local culture. But, the Chinese with their old culture, being a country ruled by a strong Communist Party with extreme levels of hierarchy, for them this process will take longer." [3]

Both the Brazilian workers and managers said that the Chinese didn't know and understand their culture. Therefore, both of them dislike to work in the Chinese companies. The Chinese know little about Brazilian culture. Similarly, Brazil knows little about China. First of all, we should know something about culture, especially the cultural characteristics of Brazil. After this, we may know how to solve the problem of this culture clash between the Chinese and Brazilian trade.

3 ANALYSIS OF THE CASE

What is it culture? 'Culture' derives from the Latin word "Culture," meaning "Cultivation," and "Tillage," which implies that just like land in need of tillage, human culture needs cultivating. The term "culture" and its interpretation vary greatly in literature. One important reason for that is culture and its connected values and beliefs are constantly shifting and moving within countries. [4] There may be now around 200 definitions, but the most widely accepted one was proposed by Edward Hall in 1977, "Culture is the total accumulation of beliefs, customs, values, behaviors, institutions and communication patterns that are shared, learned and passed down through the generation in an identifiable group of people." [5] So, culture is a social phenomenon, is also a historical phenomenon, is that people long to create the formation of the product. There are many differences between Chinese and Brazilian culture: integrity and individuality of the differences, differences in values and moral standards, social etiquette differences, differences in social mores. This paper analyzes the cultural differences on the impact of daily communication. Understanding these differences contribute to a better intercultural communication so as to avoid culture clash that the Chinese enterprises have met.

3.1 Characteristics of Brazil culture.

Brazilian culture is a culture of a very diverse nature. An ethnic and cultural mixing occurred in the colonial period between Native Americans, Portuguese and Africans formed the bulk of Brazilian culture. In the late 19th and early 20th centuries Italian, German, Spanish, Arab and Japanese immigrants settled in Brazil and played an important role in its culture, creating a multicultural and multiethnic society. [6] The core culture of Brazil derived from Portuguese culture, because of strong colonial ties with the Portuguese empire. Among other inheritances, the Portuguese introduced the Portuguese language, the Catholic religion and the colonial architectural styles. [7] This culture, however, was strongly influenced by African, Indigenous cultures and traditions, and other non-Portuguese European people. [8] Some aspects of Brazilian culture are contributions of Italian, German and other European immigrants; came in large numbers and their influences are felt closer to the South and Southeast of Brazil. [9] Amerindian peoples influenced Brazil's language and cuisine; and the Africans influenced language, cuisine, music, dance and religion. [10] Generally speech, Brazil is a mixture of races and ethnicities, resulting in rich diversity. Many original Portuguese settlers married native women, which created a new race, called 'mestizos'. "Mulattoes" are descendents of the Portuguese and African slaves. The slavery was abolished in 1888, creating over time a further blurring of racial lines. And then unlike many other Latin American countries where there is a distinct Indian population, Brazilians have intermarried to the point that it sometimes seems that almost everyone has a combination of European, African and indigenous ancestry.

3.2 Understanding for different cultures.

Because of different cultural backgrounds, cultural experiences, ways of thinking, norms of behaviors and customs between China and Brazil, it is not surprising to find that people have many difficulties and obstacles in understanding one another and communicating with one another. The author only takes two cases of the social custom involving the trade for example as the following.

(1) Aside from mastering the language and business etiquette, the biggest challenge will always be punctuality. Maybe, it is very terrible for the Chinese people or foreigners. Because the Brazilian are invited for the dinner or

the party, they always arrive at least 30 minutes late if the invitation is for dinner and arrive up to an hour late for a party or large gathering. The Chinese managers should learn this Brazilian social custom, feel relaxed and realize nobody is going to arrive at a meeting on time and understand that informality doesn't necessarily equate with a lack of professionalism, meanwhile, should realize that the differences in their life style ultimately don't affect the trade cooperation between the two sides.

(2)The Brazilian business is hierarchical. There is a strong value placed on holding decision-making responsibilities oneself. Decisions are made by the highest-ranking person. So the Brazilians negotiate with people not companies. Do not change your negotiating team or you may have to start over from the beginning. But, the Chinese company always takes much time to make a decision because the Chinese executives dislike to be the one making the decisions. Decisions are made by groups of people, majority rule is a common approach in China. Instead, the Chinese manager's job is often to gather as much information as possible and report to the boss back home. The problem is that when the Chinese do finally decide, they want it done in two days, but by that point the Brazilians have given up any hope of a deal and are totally unprepared. Many Brazilian partnerships have fallen through because of this reason. Therefore, by understanding these cultural differences, it will be much easier for the Chinese or the Brazilian to negotiate the bilateral agreements that will allow them to make trades between the two sides.

4 PROBLEMS AND MEASUREMENTS

Globalization enters a world in which enterprise human resource of different cultural backgrounds increasingly come to depend on one another. It not only impacts every aspect of our human resource management and social life, but also leads to a higher level of interdependence and interconnectedness between manager and manager, enterprise and enterprise, and government to government in different cultures. The advent of this new era of telecommunication and human interconnection especially bring with it questions of identity, adaptation, language, ethics, community, power, and social order in the process of global communication. Thus, to understand these questions and develop intercultural communication competence becomes indispensable for reaching effective management of enterprise human resource.

(1) The culture clash that the Chinese enterprise met in Brazil is because the enterprise leaders in our country lacked intercultural communication awareness and didn't carry out the effective human resource management. And then the enterprise leaders in our country didn't realize that human resource management is the formal structure within an organization responsible for all decisions, strategies, factors, principles, operations, practices, activities and methods related to the management of people. Nevertheless, people lack intercultural skills, miscommunications can damage business relationships, deadlines can be missed, projects might fail and talented people will go to the competition. Key human resource responsibilities are to understand how intercultural factors interact with human resource management, be the conduit for organizational learning for intercultural awareness and foster intercultural communication throughout the organization.

Therefore, enterprise leaders must expand their perspectives from a location to worldly view and should forecast some factors in special culture that will likely have a major impact on the enterprise. At the same time, the enterprise leader should promote intercultural awareness for different cultural background in domestic and global workplaces, and then understand intercultural need in business settings, especially strengthen the cultivation of intercultural communication competence for enterprise human resource management or managing talents and teams. Effective intercultural communication is necessary to build and maintain business relationships. To support their organizations, human resource professionals can develop human resource management practices and policies that promote intercultural training and reward manager for their part in educating employees on effective intercultural communication.

(2) Due to lack basic skills of intercultural communication for Chinese enterprise managers, some intercultural conflicts caused the damage and affected the effective management and development of Chinese enterprises in Brazil. So, the Chinese enterprise leader and managers should learn from practical problems in intercultural communication and interpersonal relationship in Brazilian environment, including cognitive models, thinking patterns, ways of communication, value systems and culture adaptations. Meanwhile, they should master some practical methods in dealing with intercultural problems in daily life as well as some skills needed in the workplace, like enterprises and other organizations, and improve their intercultural communication awareness and their basic knowledge about intercultural communication, decrease the cultural misunderstanding and "culture clash" in intercultural communication including in Brazil, and enhance communication effects, so as to

solve any problems from cultural conflicts between Chinese enterprises and Brazilian employees, and to push the bilateral cooperation to continuously develop forward.

Therefore, the enterprise human resource management especially for overseas in China should clearly know that intercultural communication competence is the ability to switch ethnic or national contexts, and quickly learn new patterns of social interaction with appropriate behavioral responses. This competence is essential to work effectively in multicultural environments. Thus, linking future career paths and global business success with cultural competence is important for human resource to emphasize, with the goal that managers are motivated to acquire new behaviors and skill and understand the benefits of learning from different cultures. To have intercultural communication competence, the first step is to have a solid understanding of one's own values and how they shape cultural identity. Within this process, it is also important to realize that different cultures often exhibit different values. Due to the striking different values among cultures, it is necessary for the Chinese enterprises managers to consider intercultural appropriate methods in conducting intercultural human resource management and adopt a proper means to deal with all kinds of cultural conflicts or "culture clash". At the same time, the enterprise managers not only face the cultural differences between China and other countries, but also accept some of them. For instance, the top management of IBM can be easily recognized by their dark suits, white shirts, and ties. But as time went by, failure caused more and more companies to realize the significance of paying attention to the cultural differences. Numerous companies tend to accept some of the cultural differences in the process of going abroad, and change their approaches to accommodate the differences.(11)

In sum, human resources is an essential part of any organization, since it provides the human capital that keeps operation running, Human resource management is also key to an efficient, productive workplace.[12] Intercultural human resource management is increasingly being recognized as a major determinant of success or failure in international business. By focusing on the employees and tailoring human resource management to the individual, people stay longer and are more committed to the organization they have joined. Compensation such as competitive salaries, good benefits, promotions, training, education opportunities, and so forth has been known to motivate employees and reduce turnover.

5 CONCLUSION

When the enterprises have been realizing a new kind of employment relationship, embedded in cultural diversity, will be developed. Thus the enterprise leaders and managers in our country should have an intercultural perspective for human resource management, and build up a new regulation, structure of human resource management that requires a new cultural environment, especially to the foreign countries' environments. To some extent, intercultural human resource management means the process of achieving a certain goal by people from different cultures. Due to the striking differences among cultures, it is necessary for managers to consider culturally appropriate methods in conducting intercultural human resource management. Therefore, this study also shows that the training of intercultural communication competence in the human resource management that is very important in another geographic region of the world may need to be greatly modified if they are to be as effective elsewhere. And then the leadership training approaches can range from awareness to cognitive and conceptual understanding to the development of skills and then to new problem-solving approaches and ultimately fundamental change. In this process, management development becomes deeper, involves greater risk, incorporates a longer-term horizon and focuses on organization change rather than just individual change.

Now, China and Brazil regard each other as key partners in their global strategy. Brazil accounts for 40 percent of Latin America's economy and will rise to 50 percent in the next 10 years. [13] So, the Chinese enterprises should face the problems of "culture clash" and improve their intercultural human resource management in Brazil. The trend is that the cooperation between Chinese enterprises and Brazilian employees will go smoothly and become better than any before.

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