

The Impact of Culture Clashes on Employee Satisfaction in Multinational Companies in China

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Abstract: With the globalisation of the economy, more and more companies are operating abroad and developing into multinational companies. Due to the differences in political systems, cultural backgrounds and language environments in different countries and regions, cross-cultural conflicts in companies are inevitable and are becoming more pronounced over time. This paper examines whether cross-cultural conflict has an impact on employee satisfaction through a review of previous literature. The paper first examines the four dimensions of culture, uncertainty avoidance, religion and language, and then examines employee satisfaction in terms of religion, language, management style and cross-cultural competencies, and finally combines the two to identify the links. It was found that language, religion and culture conflict are the main reasons for the decline in employee satisfaction, while for managers, their own intercultural competencies also have an impact on their satisfaction. The research in this paper helps to make companies pay more attention to cross-cultural conflicts within the company as a way to maintain employee satisfaction.

Keywords: culture conflict, employee satisfaction

1. Background

With the increased globalisation of the world, cultural diversity in the workplace has become a trend. "Cultural diversity is when differences in race, ethnicity, language, nationality, religion and sexual orientation are reflected in a community" [1]. However, over time, the issue of cross-cultural conflict in these companies has become more pronounced, which includes differences in corporate culture, political systems, laws and regulations, as well as differences in religious beliefs, languages, values, etc. [2]. The differences may create problems for the enterprise. For example, employee satisfaction may be influenced to varying degrees by culture clashes.

2. Culture Clashes in Multinational Companies

2.1. Cultural Differences and Influences

Hofstede's cultural dimensions theory categorises differences between cultures into six basic dimensions of cultural values, which include power distance, uncertainty avoidance, individualism versus collectivism, masculinity versus femininity, long-term versus short-term orientation, and self-indulgence versus restraint [3].

Take the cultural differences between China and the West as an example. Westerners pay more attention to the display of their personal abilities at work, and companies want to encourage their employees to bring their personal values into play for the benefit of the company, and employees are able to fully participate in the decision-making process of the company and exchange views with the management on an equal footing, thus reflecting the Western culture's tendency towards individualism and a low power gap [4]. The majority of decisions are made by management and employees are expected to follow all management decisions, which reflects the Chinese culture's tendency towards collectivism and a high-power gap [4][5]. Expatriates in MNCs therefore often hope the company to open up channels for employees to participate in decision-making and make the management more democratic, but this conflicts with the Chinese management culture. Without the right solution to satisfy both sides, some employees may choose to leave the company because they do not agree with the company's philosophy, and the company loses talent as a result.

In terms of uncertainty avoidance, some countries, such as Japan and Germany, are countries with a high degree of uncertainty avoidance. This means that they place a higher value on authority, status, seniority, age etc. and try to avoid these scenarios by providing greater job security, establishing more formal rules, not tolerating bigoted views and behaviour, trusting in absolute knowledge and expert judgement etc. In contrast, China is a less uncertainty-averse country and is therefore more tolerant of deviant behaviour and opinions, with fewer rules and regulations. In terms of philosophy and religion they allow for a variety of different ideas to coexist. This difference provides the basis for different management styles. In countries with a high degree of uncertainty avoidance, they prefer systematic management, with strict rules and regulations to discipline employees and a set of scientific management rules. Whereas China, as a country with a low degree of uncertainty avoidance, emphasizes a combination of principle and flexibility [6]. This has led to Chinese employees not understanding the management style of some expatriate managers and even perceiving them as stubborn and rigid at times. When employees do not comply with their managers, the company does not function efficiently and faces huge hidden costs, such as the financial and energy spent on reconciling staff conflicts [5].

In terms of religious beliefs, China, as a multi-ethnic country, naturally has a diversity of religious beliefs. Each nationality has its own unique beliefs and customs. It is difficult for expatriates to adapt to the many different customs and cultures in China, and even as Chinese, they may not be able to fully integrate into the various ethnic groups [5]. Moreover, without a good understanding of local customs, especially in areas with a large number of ethnic minorities, it is easy to do things that are contrary to the religious beliefs of others, which can lead to conflicts [7].

In addition, language barrier is also a major problem faced by multinational companies, especially in some less developed regions [3]. Less developed regions refer to those regions that have certain economic strength and potential but still have a certain gap with developed regions, unbalanced productivity development and underdeveloped science and technology level, such as the central and western regions of China. Since the reform and opening up, the gap in economic development between the less developed regions and the developed regions has tended to increase. Yu and Peng point out that due to many factors such as strong ethnic traditions, poor education, fewer opportunities for external communication and geographical constraints in the less developed regions of China, ethnic minorities use their own language more intensely and only a small number of local employees can communicate with foreign employees in English, and even if they can, it is difficult for them to use English as fluently as their mother tongue [7]. The language barrier prevents effective communication between staff and staff, and between staff and management, leading to a range of problems such as information asymmetry, resulting in higher transaction costs and lower production and work efficiency.

3. Staff Satisfaction

3.1. Definition

For the definition of employee satisfaction, many scholars have their own views, Hoppock in Job Satisfaction, from the individual psychological and physiological, two aspects of the definition of employee satisfaction [8]. He argued that employee satisfaction is a sense of the gap between employees' psychological expectations and reality. According to Vroom, employee satisfaction is the degree to which employees recognise their job role [9], while Porter and Lawler argued that employee satisfaction is a result of the different attitudes and states of employees in relation to their pay [10].

3.2. Influencing Factors and Consequences

In the study of factors influencing employee satisfaction, Herzberg classified and summarised various factors into motivational and hygiene factors [11]. The motivational factors are mostly related to the job itself such as the company's recognition of the employee, the employee's promotion space and the sense of job achievement, while the hygiene factors are mostly some factors other than the job itself, such as the company management system, the employee's salary and the employee's interpersonal relationship.

In Adams' theory of fairness, he argues that employees are more concerned with receiving the appropriate level of reward for the work they do, that is, they are more concerned with the fairness of their pay [12]. When an employee is paid more than others after completing the work, the employee will be well encouraged and more satisfied, and employee job satisfaction will also rise; on the contrary, if the salary is lower than others, the employee will feel a sense of unfairness, which will lead to low motivation, low work efficiency and other problems, and increased turnover intention.

In terms of business management, firstly, an attendance system with clear rewards and punishments will be more motivating, as Dubinsky et al. argue that fairness affects job satisfaction and thus performance [13], and Ford et al. argue that job satisfaction is strongly correlated with leadership support, meaning that leaders can help employees reach their career goals by creating more pathways for mobility to enhance employee fulfillment and job satisfaction. However, in some post-merger companies, some employees are unable to adapt quickly to the new management style, resulting in a reduced sense of belonging to the company and consequently a reduced level of satisfaction. In addition, some companies take measures such as layoffs to ensure the optimisation of human resources after mergers and acquisitions, so that there are employees who are abandoned by the company and are unable to engage in their work and create a positive work atmosphere [14]. Finally, employees' expectations of the future development of the company can also have impact. Most Chinese companies' future plans are only deployed and planned among management, and as employees just get the job done with little knowledge of the company's future, many employees feel confused about the company's future development due to a lack of confidence [15]. When employees find that their own goals are different from the company's goals or philosophy, they will be less satisfied with their jobs, and the company may face a large amount of brain drain at this point.

In terms of the work itself, a lack of job fulfillment can lead to a decrease in employee satisfaction. Employees are often working in a one-dimensional manner in the pursuit of efficient production, which can lead to a loss of interest in their work and a perceived lack of challenge. Especially for some highly knowledgeable positions, employees may feel that they are not putting their knowledge to good use.

Finally, interpersonal relationships can also have an impact on employee satisfaction, as many company projects require collaboration between departments or are completed as a team, which requires good interpersonal relationships. Some project managers may have good expertise or

qualifications, but lack management skills, which can lead to poor communication between teams and reduced efficiency, resulting in conflicts and reduced employee satisfaction.

4. The Impact of Cross-cultural Conflict on Employee Satisfaction

Until now, cultural differences have only been considered as constructs in ethnicity and nationality, while cultural factors include race, gender, sexual orientation, age, disability, etc. These sub-groups have different work attitudes, perceptions, values and norms, which in turn affect individual and group performance [16]. Therefore, for multinational companies or companies with cross-border mergers and acquisitions, conflicts between employees due to different cultures from different countries are unavoidable, and Mendenhall et al. identify the main barriers to cross-cultural adaptation for expatriates as culture shock, different ways of working, isolation, homesickness, as well as in healthcare, housing, schools, food, language, customs and cost of living. And these barriers often have an impact on employee satisfaction in different dimensions.

As they come from different countries and regions, employees may speak different languages and have different religious beliefs. Language is a reflection of culture. In multinational companies, language difficulties make it more difficult to communicate adequately, leading to conflicts between employees, who do not have a strong sense of belonging to the company. Poor communication may even cause employees to lose confidence in the future of the company or their own career prospects, and their job satisfaction is reduced [17]. Furthermore, different religious beliefs can also create many conflicts among employees in an invisible way. If there is no mutual understanding and respect, these conflicts can tear the company apart. The formation of small groups of employees can lead to a serious loss of productivity as departments do not work together smoothly. All of this has a serious impact on the working atmosphere of the company and working in such a disharmonious, intolerant and depressing environment can greatly reduce employee satisfaction with their jobs and cause significant staff turnover.

Furthermore, because of the different cultures, Westerners promote individualism and democratic management, while the Chinese prefer collectivism and centralised management. In multinational companies, conflicts may arise because employees have different management philosophies. For example, if the merged company does not have an integrated and rigorous management style and is unable to integrate the two management styles, employees will gradually lose confidence in the company's development in the midst of the turbulent management [14], which is also a sign of reduced employee satisfaction.

And maintaining positive relationships in an intercultural environment requires both workers and management to be responsive to culturally sensitive structures that accommodate cultural diversity [18]. Thus, for management, in addition to the factors mentioned above that can have an impact on their job satisfaction, their own intercultural management skills can also influence their satisfaction with working conditions, leadership, responsibility, and extrinsic job rewards. Guo and Cai, mentioned that, the stronger the cross-cultural reshaping ability of expatriates, the lower their satisfaction with extrinsic rewards. satisfaction with external rewards [19]. When managers are able to recognise the differences between their own culture and the local culture and are able to extract the strengths of the other culture and blend the two to avoid some of the negative consequences, their job satisfaction increases as they become more comfortable in the job. But when expatriate managers already have good conflict management skills and can use some of their forgotten experience to respond flexibly to conflict, they will have higher expectations of working conditions, leadership, responsibility and extrinsic job rewards [19].

5. Conclusion

Through a review of the literature on culture clashes and the factors influencing employee satisfaction in multinational companies, this study identifies the links between the two and summarises how culture clashes can affect employee satisfaction. For employees, language, religion and cultural background all have an impact on satisfaction, while for managers, in addition to these factors, their own intercultural competencies also have an important impact on satisfaction.

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