

Cross-cultural Conflicts and Countermeasures of Haier Group on the Road to Internationalization

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Abstract: Based on theories of cultural conflict and cross-cultural management, the cultural conflicts of Haier Group is mainly reflected in the form of communication, management style and human resource management. The managers of Haier Group should look at the problems from the perspective of development, have outstanding cross-cultural management ability, and can effectively use cross-cultural management strategies.

Keywords: Cross-Cultural Conflicts; Internationalization; Haier Group

1. Introduction

Since its establishment, Haier Group has been positioning itself as a world-famous multinational company that relies on science and technology and talent. However, carrying out transnational operation has also increased the difficulty for the development of Haier Group. As we all know, different countries and nationalities have different cultural origins. When enterprises are engaged in transnational management, they must face the collision and conflicts caused by cultural differences. Therefore, in order to avoid the adverse effects of different cultural conflicts in Haier Group management, Haier Group managers must solve the cross-cultural conflicts, and effectively use cross-cultural management as a means of management.

2. Management Styles

The management mode of Haier's domestic market has the characteristics of centralized management, emphasizing the management style of "superior transmission and subordinate compliance", and mobilizing layer by layer, while overseas managers are more inclined to the "authorized" management mode, so that management and employees can exchange views on an equal footing. Therefore, when

Haier manages overseas subsidiaries, foreign employees have to abide by the rules and regulations formulated by Haier enterprises. When contradictions occur within the company, they can only follow the instructions of their superiors and can't express their ideas. If they are suppressed by power for a long time, they will inevitably form resistance and lay hidden dangers for cross-cultural conflicts, and Haier will face brain drain.

3. Management of Human Resources

When Haier Group operates the domestic market, Chinese managers take a subjective attitude towards the performance appraisal of employees. In addition, they are very concerned about the actual performance of employees at work, as well as the performance of employees in daily life, such as social relations, daily activities, lifestyles and so on. And the leadership emphasizes the spirit as the main factor and the performance as the auxiliary. The results of many reviews are often determined subjectively by the leadership. However, most overseas managers use 360 degrees evaluation method in personnel performance management. They attach importance to the free development of employees' personality, and can constantly tap the potential of employees and give full play to their own advantages. The results of the assessment are determined by many aspects, and at the same time, there is an objective performance management system.

4. Communication Forms

In the transnational operation of Haier, the way of communication between Chinese and foreign employees is different. First of all, foreign employees tend to be straightforward, while Chinese employees are used to roundabout ways. For example, Chinese employees tend to nod to each other in communication out of politeness, but nodding

does not mean agreeing with the foreign employees. It just shows that the Chinese employees are listening to them, while foreign employees tend to mistakenly believe that the opinions of Chinese employees correspond with them. Second, because of the influence of western culture, foreign employees are more inclined to express their own ideas directly. Even if they have different opinions with Chinese employees, they will not be afraid of conflicts, but will discuss it in the form of debate at present. On the other hand, the expressions of Chinese employees are implicit and introverted, and tend to communicate in a roundabout manner. Finally, Chinese employees pay attention to etiquette and pursue harmonious relationship in communicating with others, however, foreign employees pursue objective facts, and will not take into account the other side's feelings when communicating with others.

5. Cross-cultural Management Strategy in the Process of Internationalization of Haier Group

In order to avoid the adverse effects of different cultural conflicts in Haier Group management, Haier Group managers must solve the cross-cultural conflicts, and effectively use cross-cultural management as a means of management.

5.1 Implementing the Strategy of Localization of Talents

In order to preserve the culture and management pattern of Haier group, therefore, most of the managers of overseas subsidiaries come from the parent company. Because of the long-term management and operation in China, they do not understand the political and economic system, cultural environment and language environment of the host country, and often make some inappropriate judgments because of the shallow cultural consciousness of the host country, and even affect the correct direction of operation and management. Therefore, in order to better develop Haier enterprises in overseas markets, Haier enterprises must realize the localization of managers when they operate transnational management, that is, a large number of local talents must be employed to hold management positions.

When Haier enterprises manage overseas

subsidiaries, they should avoid sending many employees from the parent company as much as possible. Haier enterprises should choose talents who understand the cultural environment of the host country, or recruit talents directly in the area. What's more, the local talents have a better understanding of the political, economic and cultural environment in their own country. Therefore, they are able to handle the business of the company, drive the sustainable development of the enterprise and improve the performance of the enterprise. In contrast, most domestic managers lack the experience of transnational operation, so when carrying out business, they are often affected by the inherent mode of thinking and lack of innovative spirit. In addition, Haier enterprises can make use of the local talents' understanding of the domestic economy and legal system to help Haier enterprises legally reduce corporate expenditure. At the same time, actively employing local staff can help the local government to increase employment opportunities, win the favor of the government, and create a good political environment for Haier enterprises to develop locally, thus promoting Haier Group to open up the local market.

5.2 Cultural Integration and Elimination of Cultural Conflicts

For Haier, injecting new ideas is more important than injecting money. Cultural integration plays a key role in transnational operation of multinational enterprises. Due to the differences in language, values and thinking between the country where the parent company is located and the country where the subsidiary company is located, the local managers do not understand Haier's corporate culture, therefore, in making decisions, it will directly affect the effectiveness of decision-making. But any kind of culture is unique. There is no difference between the advantages and disadvantages of culture. Only when the managers of both sides face up to the cultural differences, learn from each other, respect each other, understand each other and absorb the other side's advantages, can they promote the communication between each other. In addition, after having a full understanding of the cultures of the two countries, taking the common points of the cultures of the two countries as the starting point, so that the

cultures of the two countries can complement each other. What's more, Haier group establish a new corporate culture acceptable to both sides and give full play to the advantages of the two cultures. The advantage of this new corporate culture is that it not only preserves the cultural characteristics of some parent companies, but also integrates the cultural characteristics of some host countries. The two cultures are organically integrated to create opportunities for Haier's development.

The integration of the two cultures requires a long-term process. Haier Group must have firm faith and enough patience in order to ensure the effective implementation of cultural integration. For example, more activities can normally be carried out to enable managers in the two countries to have more opportunities to communicate with each other and to increase trust between them. Or send some domestic managers overseas to learn the experience and skills of cross-cultural management. At the same time, some overseas employees can also be sent to experience the cultural environment in China. Only when employees experienced the concussion and friction brought by culture, can they improve their multicultural awareness and cultural adaptability.

5.3 Establishing a Formalized Management System

A complete set of systems and standards is essential for Haier enterprises, which can ensure that they conduct daily management in accordance with normal order. Perfect management system is helpful for Haier enterprise to solve the problem of cross-cultural conflicts. First, Haier enterprises need to improve the construction of various basic management systems, standardize the basic management, administrative management, logistics management and other basic business activities of enterprises, in order to form the basic management system and norms within the scope of enterprises. Second, in the process of carrying out various businesses, the managers of Haier enterprises should make clear the code of conduct and formulate a variety of rewards and penalties, which help to promote the successful progress of various businesses. Third, in the process of perfecting the system construction, Haier enterprises should not only consider the differences between the cultural environment of the two

sides, but also consider the development situation of household appliances industry in our country, as well as the general situation of Haier enterprises' own development. Last but not least, when Haier has established a perfect system to manage its employees, it should also meet the needs of foreign employees and Chinese employees, so as to promote the overall development.

The management mode of "rule of law" avoids the uncertainty of "rule by man". Furthermore, the management of rule of law has fair results. Once Haier enterprises adopt this kind of "rule of law" management, all the employees of the enterprise, including the leadership, must act in accordance with the rules and regulations, rather than giving themselves over to blind emotions. Therefore, the formal management system can make the operation of Haier group gradually standardized.

5.4 Carrying out Cross-Cultural Trainings

Many practices have shown that cross-cultural training is the best way to reduce cultural conflict. Through cross-cultural training, all members of enterprises can deepen their understanding of the cultures of other countries, and can also improve their own cross-cultural management quality. Therefore, Haier enterprises will adopt the following four training methods:

The first is language training. In the management of multinational enterprises, language plays an important role in communication. Through language training, Haier enables employees to master basic language skills and unique ways of expression and communication in the host country, such as gestures, symbols, etiquette and customs, in an effort to remove obstacles to communication. The second is culture and education. Haier enables employees to learn the historical development process and cultural evolution process of the host country through cultural education, so that employees can read books and materials related to the host country, so as to facilitate employees to work and live in the new cultural environment. The third is cultural studies. Haier enterprises encourage employees to probe the culture of the host country through training and improve their ability to deal with cultural conflicts.

6. Conclusion

This paper takes Haier Group as an example to study the cross-cultural conflicts in the process of internationalization of Haier enterprises, mainly in the forms of communication, the styles of management, and the management of human resources. In addition, the paper also studies the influence of cross-cultural conflicts on Haier Group, and puts forward the strategies of cross-cultural management of Haier Group in transnational operation. Through the study, this paper draws the following conclusions:

Firstly, cross-cultural conflicts have both positive and negative effects. However, it is only necessary for enterprise managers to face up to the conflicts caused by cultural differences, and use scientific methods to deal with cross-cultural conflicts. In addition, to make rational use of cultural conflicts is conducive to the management and development of enterprises.

Secondly, when an enterprise carries on transnational operation, it should take fully into account the cultural background, values, behavior and many other factors of the host country, so that both sides can have equal exchanges in the context of cultural differences. Thirdly, the purpose of cross-cultural

management is to integrate the two different cultures, seek common ground while reserving differences, and jointly shape the new culture of enterprises. This is also the most effective way to correctly resolve and deal with cultural conflicts.

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