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Interpersonal public relations : hope for the 1990's in international business

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**Interpersonal public relations: Hope for the 1990's in
international business**

Ashley-Sloan, Janette Patricia, M.S.

San Jose State University, 1990

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**INTERPERSONAL PUBLIC RELATIONS:
HOPE FOR THE 1990'S IN INTERNATIONAL BUSINESS**

A Thesis

Presented to

**The Faculty of the Department of
Journalism and Mass Communications**

San Jose State University

In Partial Fulfillment

of the Requirements for the Degree

Master of Science

By

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May, 1990

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ABSTRACT

INTERPERSONAL PUBLIC RELATIONS:

HOPE FOR THE 1990'S IN INTERNATIONAL BUSINESS

Janette P. Ashley-Sloan

This thesis provides an exploratory overview for understanding how cultural differences affect international business communications and public relations, which affect the international trade of American multinational corporations (MNCs). The study focuses on the role of managers in these MNCs as the primary "channels of communications," and examines challenges of communications in other cultures, particularly in Asia. It explores the need for MNCs to offer cross-cultural training as an investment in corporate international public relations/marketing efforts, and offers an overview of some of the prominent American cross-cultural training programs.

Research, through purposive interviews, reveals there is a significantly strong perception among Asian business leaders that Americans need to understand more about the Asian approach to business communications and the culture before initiating business there. Information obtained from experts in international business communications, cross-cultural training, and international trade, provide insights on potential links between training and improved international business communications.

DEDICATION

In honor of three consistently special people, I dedicate this thesis: To Elva B. Sloan in appreciation of her ability to show remarkably unselfish love and continuous encouragement through "dark and stormy nights" and all circumstances; to Serena W. Stanford in appreciation of her ability to offer the highest inspiration and motivation by example through all circumstances; to Donald N. Simmons, Jr., in appreciation of his ability to offer affirming friendship and unmatched courage through all circumstances.

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CHAPTER I

INTRODUCTION AND STATEMENT OF THE PROBLEM

The United States' annual trade deficit spirals its way into the new decade and continues to set record highs. Currently peaking the charts at \$49 billion, the deficit shows no signs of slowing.

A major facet of trade and international business, all but ignored in most American multinational corporations (MNCs) during the 1980s, is finally, albeit slowly, gaining recognition. Americans who want to promote their companies, practice effective public relations and market their products in other countries are beginning to realize the importance of understanding other cultures and their preferences.

A few American MNCs are becoming aware of the value of effective international public relations and business communications--networking, negotiating, conducting overseas marketing programs with a stronger emphasis on public relations, enhancing the corporate image--in countries with cultures vastly different from this one. This is particularly true for the Asian countries in the Pacific Rim region. There, more than anywhere else in the world, U.S.

business people face greater varieties of cultures, as well as greater predictions of increased trade during the 1990s and the decade after, already identified as the "Pacific Century."

"As the world's largest market--more than one billion people--China is intrinsically exciting to all marketers. Nike thinks of it as two billion feet," said Albert Y.P'an, chairman of TransCapital International, Inc., New York, at a conference called "Be Prepared or Be Left Behind/Marketing in the Year 2000." This conference, reported in a 1987 issue of Marketing News, is still applicable for the 1990s.

During the 1980s, American apathy regarding "being prepared," ethnocentric attitudes and inflexible approaches to business communications often resulted in international blunders, costing companies thousands of dollars. Lack of knowledge regarding others' cultures contributed to America's loss of the competitive edge during the last 20 years. MNCs can ill afford to repeat blunders in the 1990s. The continuing problem of ignorance was recognized and noted by Hall more than three decades ago:

Most of our behavior does not spring from malice but from ignorance, which is as grievous a sin in international relations. It is time that we stop alienating people with whom we are trying to work (1959, pp. 13, 14) (Emphasis added).

The need to improve business communications by understanding other cultures increases with the both the trade deficit and the number of American corporations involved in international trade. The need is urgent in countries such as China and Hong Kong, which highly value personal relationships.

Statement of the Problem

Each year American multinational corporations spend millions of dollars on various aspects of mass communications and public relations--annual reports, corporate advertising, community involvement and multi-media campaigns for new products and services. Although this approach works well in the United States, it is not always effective in other countries.

There is evidence that many people in other cultures, especially the Pacific Rim countries, prefer a more personal approach. In fact, a personal approach is often expected from the American manager representing the corporation overseas.

"A major problem for American MNCs in cross-cultural business communications is not seeing their apathy toward cultural understanding as a problem," according to Linda Hamby, program coordinator for International Orientation Resources (IOR), during a telephone interview in 1990.

During the 1980s many corporations suffered financially from a failure to recognize this communications need. Or, if they did recognize it, the need for cross-cultural training was not viewed with a sense of urgency.

Imminent changes on the international trade game board--such as the unified European market scheduled for 1992, the return of Hong Kong to mainland China in 1997, and the prediction of the arrival of the "Pacific Century" by the year 2000--present compelling reasons for American business leaders to reevaluate their views on the importance of understanding how to communicate, how to promote their companies and how to market their products in other cultures. A number of public relations and communication issues must be addressed during the 1990s in order for American MNCs to reach higher levels of effectiveness in international trade. For the purposes of this study the following concepts are explored:

1. Conducting international business communications and public relations requires a different approach than practiced in the United States. Failure to recognize the need for a different approach during the 1980s resulted in international business blunders.
2. MNCs generally practice some form of international business communications since they conduct business in more than one nation. A trend in American corporations during the late 1980s was to increase the cooperation and combine the efforts of the departments of public relations and marketing in the initial strategic planning stages of international business.

3. International business communications and public relations include interpersonal communications as a public relations function. Interpersonal communication is the primary public relations tool in countries which base business on connections and friendships. MNC managers are the main "channels of communications," a form of media and a public relations and marketing tool for the corporation overseas.

4. Challenges for effective business communications increase in cross-cultural environments, particularly between countries with vastly different cultures, such as those of Western and Asian countries.

5. Challenges for effective business communications must be overcome by American MNCs who want to fully participate in international trade opportunities of the 1990s and the predicted opportunities in the "Pacific Century."

6. Cross-cultural training to increase the communications skills of MNC managers is one way to meet the challenge of effective cross-cultural business communications and international public relations.

Each of these issues is addressed below and expanded in the next chapter, Review of the Literature.

First, there are major differences between international public relations (defined here as efforts conducted to promote a company in another country) and public relations practices in the United States. One of these differences has to do with how potential customers, or audiences, are best approached. Reed (1989) and Grant (1988) emphasize the importance of understanding the audience in a different culture and finding new ways to conduct public relations efforts which work within that

culture. Reed states, "international PR requires that you bridge a cultural or linguistic gap--or both." Although the basic program elements of public relations do not change cross-culturally, "the variable is audience ... With new audience values, you as a professional, need new ways of working" (1989, p. 12).

Grant also notes the importance of the audience. "The expensive lesson we learned is that, results notwithstanding, when you're dealing with a foreign culture, you must make sure that your concept of good public relations practice is the same as your client's" (1988, p. 48).

Second, if MNCs want to have a share of the market in each of the countries where they operate and want to have name recognition in the host countries, they need to conduct some form of business communications, public relations and marketing in each of the countries. There will be some common elements for promoting the American company: research, objectives, methods, programming and message development (Reed, 1989).

How these elements are implemented can vary greatly depending on the culture. Howard and Mathews (1986) emphasize the importance of an in-depth briefing from local experts about the media relations and how they relate to marketing work there. They advise "listen to what people say and do not scoff at a public relations practice that

wouldn't work in the United States but is essential somewhere else" (p. 10).

To underscore a recent trend in international business communications, Howard (1989) notes the change in public relations practice in the United States to a more marketing-oriented focus. She states that:

When we broaden our role to include marketing communications, promotions and sales support we can use our PR skills to produce measurable results--by contributing to sales and profits... In the classic textbook definition of the marketing mix--product, price, place and promotions--public relations is a valued partner. Why? Because PR can be so cost-effective in communicating sales and marketing messages (p. 94).

When the combined messages of the public relations department and the marketing department must be transferred to a culture with significant differences from the Western approach, the communications role of the manager may vary.

The third concept explored in this paper deals with the significance of the role of the American manager in an overseas business environment. In other cultures that place a high value on interpersonal relationships in business, the manager becomes the primary means of getting the message out, or main channel of communication.

Ruch and Goodman (1983) stress the importance of people talking to people "as the vital link for business, at all levels of the organization" (p. 93). While the image of a company is more of a public relations function than a

business management function, management is often the most important communication channel for the corporation in another country.

The role of the manager is emphasized by Nessa Loewenthal, Director of TransCultural Services. This expert in cross-cultural business communications stated during a personal interview in 1987 that,

The company manager is the corporation when working in another country. More than the American media, the agencies and the embassies of the U.S. government, and other institutions, the manager in a corporation may represent to people in the host country what America and Americans are like.

Martel (1984) believes one of the modern tests of a manager must be his or her ability to persuade, to inspire, to inform and to answer to the public, the media ... and the workforce. He believes management is communication.

In exploring the fourth issue, it important to note the challenges of both public relations in the United States and international public relations conducted in another country. When public relations and business communication take place in the same culture, with the same language and laws, there are--even with all the similarities--a number of misunderstandings. Harris and Moran (1987) note that, "culture poses communication problems because there are so many variables unknown to the communicators. As the

cultural variables and differences increase, the number of communication misunderstandings increase" (p. 34).

The challenges for business communications increase dramatically in a culture that is vastly different from the United States. According to Reeder (1987) and Redding (1982) American MNCs that have experienced business blunders and failures in Asia may have a common general problem.

Redding believes that "it is usually a Western framework ... being applied when an Oriental one is necessary" (1982, p. 98). Reeder states that "American businesspeople are not aware of the importance of understanding cultural differences. Business is business, they think. And they are wrong" (1987, p. 69). Both authors emphasize that the marketing process in Asia can only be understood when account is taken of the effects of cultural factors on behavior, including understanding: the concept of saving face, the need to show sensitivity regarding the effects of actions on others, and the importance of maintaining harmony in personal relationships.

The fifth issue deals with the need for American MNCs to overcome the challenges of business communications in the Asian culture in order to fully participate in international trade. The significance of the potential business during the 1990s between the United States and Asia is immense according to experts in international trade.

"Asia and the Pacific Rim represents a third of the world's economy. It's not just a minor player any more. Asia is growing much faster than anywhere else in the world," according to Ian A. Howard, Director of the Hong Kong Government Industry Department in the New York Office. Howard stated during a telephone interview in 1990 that, "Americans need to be in that region. It's more of a necessity than a choice." He cited several trade figures to back up his statements. "In 1989 American handled almost \$6 billion in exports to China. China imports to the United States came to \$12 billion."

Trade and economic experts' predictions indicate an Asian market of over one billion that cannot be ignored, in spite of existing challenges. In the March 26, 1990, issue of Fortune, Sir John Templeton, founder of Templeton Mutual Funds, stated, "Last summer, because of the terrible events in mainland China, the Hong Kong market went down.... The question always is 'How great is the risk compared with the potential for profit?' Hong Kong is rich in entrepreneurs who can start and run businesses....It is likely to become the commercial and financial center for over a billion people" (p. 112).

Stenlieb and Wright (1988) describe the "people power" factor of Asian countries. Asia is predicted to grow in both the size of its labor force and its buying power more

than any other area of the world. They contend that, "In the new world order Asia has the clout" (p. 61).

All of these points contribute to the imperative for change in perspectives on how American business communications are conducted during the coming years. In the past, when the United States held the starring role in trade, American business managers were often considered arrogant and ignorant by people in other countries.

To address the last issue of this paper's statement of the problem, it is necessary to view the concept of cross-cultural training from a perspective of the last decade as well as the present and future ones. In the past, challenges in cross-cultural communications have often been viewed by American MNC managers as either insurmountable or "not worth the trouble to learn because they need our technology and will buy it anyway," as summarized by one of the interviewees for this study. These attitudes may have contributed strongly to the number of business blunders.

One way to meet the challenge of effective business communications for the 1990s and for the "Pacific Century" in Asia is for American MNCs to provide their main "carriers of the message" with cross-cultural training. In the past, arguments have often focused on the high cost of training as prohibitive. During the 1980s, however, more than enough

business errors were committed to prove the high cost of not training.

As noted in the May, 1989, issue of New England Business, "familiarity with foreign companies and cultures has traditionally been given short shrift by corporate America. While many companies have claimed to value foreign management experience, the limited emphasis placed on foreign language skills and familiarity with foreign cultures suggests this claim is halfhearted" (p. 69).

The roles of international trading countries are being redefined in the global market-place and the significant role of the America manager in international business communications can no longer be ignored. With the number of advantages and the predictions for trade increases between the United States and China and Hong Kong, it would seem that American MNCs will be inclined to change to a long-term planning approach toward Asia. It would seem that more American MNCs will give additional thought to prepare to increase their communications effectiveness. Some of the questions concerning international public relations and business communications considered are in this study are:

1. What are the perceptions of American managers and Asian business managers regarding the current communication effectiveness of representatives of U.S. corporations in Asia?

2. What do Asian and American managers see as their greatest challenges in communicating in cross-cultural contexts?
3. What do Asian business leaders regard as the primary areas for improvements in how American managers represent their corporations in Asia?
4. What are the perceptions of both groups regarding which changes would be most helpful to improve communications in the future?
5. What do Asians business leaders perceive as the most effective means of business communications and public relations in Hong Kong and China?
6. How do effective approaches to public relations and marketing differ in the United States and in China and Hong Kong?
7. What types of training programs are available in America for MNCs to offer for their main representatives and "channels of communications" in other countries?

Attitudes of American managers regarding the need for training to gain expertise in international business communications may change significantly during the 1990s. Information from this exploratory study may provide perspectives that have implications for the future of public relations in large corporations. The trend toward "personal public relations," particularly in countries where such relations are highly valued, may call for executive decisions to incorporate cross-cultural training as part of an expanded public relations program.

Studies on the importance of interpersonal relationships in mass communications and persuasion deal

with the individual as the main channel of communication in different contexts. Since MNCs are striving to expand and strengthen their business operations in other countries, it seems reasonable that a primary goal would be creating the best possible channels for business communications in the host countries.

A review of the literature indicates that the use of cross-cultural training programs, as part of an expanded public relations and marketing program in MNCs, could be a strong, contributing factor in turning the trend of international trade deficits. Perhaps in the future of the American multinational corporation there will be more cooperation and coordination between the departments of public relations, marketing and human resources. If the most effective cross-cultural programs are offered for the managers--as the most effective means of persuasion--there could be tremendous gains in business.

This exploratory study will offer an overview of the communication challenges in promoting international business in cross-cultural environments; the need for MNCs to offer cross-cultural training to increase the effectiveness of business managers as "communication channels."

CHAPTER II

REVIEW OF THE LITERATURE

For the purpose of this study, it is important to examine the related aspects of international public relations along with the managers' role as communication channels for the American MNC. The role of interpersonal relationships in mass communications will be discussed. Some of the challenges and complications when communication takes place in cross-cultural situations are included, along with an overview of relevant cross-cultural training and how it may improve the managers' position as a communication channel, the public relations efforts of the corporation, and ultimately, the financial position of the MNC in the international trade game.

International Public Relations: Acknowledging the Differences or Paying the Penalties

In a recent article in Public Relations Quarterly, John Reed (1989) detailed some of the issues to bear in mind when dealing with other countries and other cultures:

International public relations means you do it somewhere else, with audiences different from you culturally, linguistically, geographically. In most PR activity, you talk to audiences comprised of people much like you. You all understand the same language, values and customs. International

PR requires that you bridge a cultural or linguistic gap--or both. That's trick, the challenge, the key and the success of it (p. 12).

Also stressing the differences in conducting public relations in countries other than the United States, Grant (1988) in an article for Public Relations Journal outlined a series of steps that U.S. public relations professionals would generally consider the most effective approaches for a client, and then adds, "but this doesn't necessarily hold in other societies. Had we been less obtuse, we might have realized soon enough that a gap in perceptions was beginning to separate us from our client" (p. 48).

Grant believes that the "clash of perceptions was undoubtedly exacerbated because I did not visit the client ... It was an account we could have profitably sustained for many years ... the signs were there. We were simply too myopic to read them" (1988, p. 48). Booth (1986) emphasized that "there seems to be a general consensus that a public relations campaign has to be adapted to meet local conditions and that even the strategy requires some local input" (p. 22). Ovaitt (1988) also noted that to the public relations professional barriers to global public relations are still perceived as high. "Aware of the stupid mistakes of others (or regretting their own), they see uncommon merit in the common wisdom: Learn the culture and localize everything" (p. 5).

This view is shared by Strenski (1986) who believes that understanding the local culture, language, customs business protocol and government relations is mandatory for a successful business venture overseas. He wrote for Public Relations Quarterly emphasizing the recognition that "U.S. companies may need to modify their business behavior to comply with market conditions is paramount, because what works in Chicago may not work in Osaka" (p. 9).

John Welch, chairman of General Electric, perhaps summarized the difference and the challenge of international public relations in a quote for the Wall Street Journal, "we have to get all over the world and be good corporate citizens. You can't go over with skates to play basketball" (House, 1989, p. 1).

Conducting public relations in another country with a vastly different culture, infrastructure and approach to business communications offers many new challenges. It was the challenge of one public relations professional to attempt U.S. public relation practices in China. Heger (1989) explains in Communication World, that when Lucy Hobgood-Brown sent her first press release to the Chinese media, some recipients responded with cash payments. She sent these back explaining that the releases were free.

According to Heger (1989) the most valuable lesson Hobgood-Brown learned in China was the importance of not falling into ruts. "When you have to answer hundreds of questions, such as 'Why put 30s or pound symbols on the bottoms of press releases?' you begin to reexamine everything you do" (p. 35).

Reexamining the approach it takes to international public relations and marketing is not a step many American multinational corporations have taken. For the MNC attempting to promote its company and market its products in another culture, it can be very expensive not knowing what to do, what is accepted and what is an effective approach.

One aspect of public relations with time-honored recognition is avoiding expensive blunders when dealing with the people your company has targeted to persuade. Wright and Evans (1964) use a practical approach directed at the "fundamental need of businessmen to conduct a sound business, make a profit, and avoid costly mistakes in dealing with people" (p. 10).

There is evidence of many costly mistakes and blunders in the area of international business communications, which is usually conducted by the executives and managers of the company--especially during the initial stages. Many American executives do not take the time to learn about other cultures before going there. Valentine (1989) notes

that some corporate executives think they can just "wing it" and make a sale because their product is superior. He describes the executives as "overconfident and unprepared in their international ventures; they invade the foreign land...." (p. 54).

Other corporate executives are just beginning to rush to obtain the necessary knowledge. In "Going Global," a cover story for a recent Business Week Holstein (1989) and other reporters noted this point:

In some cases going global can be humbling. American CEO's who are proud of their skills in the U.S. market suddenly find that they are not nearly as sharp in dealing with different cultures over long distances. Delta Airlines, for example, is America's No.3 air carrier, but CEO Ronald Allen is on a steep learning curve in Tokyo and Bangkok. He's candid about trying to learn from Singapore Airlines, which trains some Delta flight attendants: 'We wanted to make sure we knew how to serve Oriental customers and better understand what they expect from us' (p. 84).

Companies that haven't made the extra efforts to learn and to incorporate training have often paid the steep price of international business blunders. Valentine (1989) illustrates the outcome of not learning all you can about your potential clients before you meet them. He states that:

One of my favorite stories concerns an American who went to Malaysia to close a substantial contract. There, in a splashy ceremony, he was introduced to someone he thought was named 'Roger.' Throughout the negotiations, he called the man 'Rog,' not realizing that his potential client was a 'rajah,' which is a title of

nobility, not a person's name. This well-meaning American did not know that, in Malaysia, while many of the states are controlled by sultans, one state is headed by rajahs (p. 54).

Valentine acknowledges that this type of incident may seem humorous, but it may insult your hosts, embarrass you, and cost you the business you are trying to get. His advice: "learn all you can about your potential clients before you meet them" (1989, p. 54).

Ricks (1983) states that "A company is said to have 'blundered' if it makes a costly or embarrassing decision even though such a result was foreseeable and avoidable. Although blunders have been made in every ... area of business, most have been experienced by companies when trying to market their products. The task of international marketing has been far more difficult and risky than many firms expected" (p. 5).

The corporations conducting public relations in overseas environments face a longer list of concerns in learning to persuade people. The International Public Relations Association directed by Black (1980) formed a list of main categories for public relations. Black believes that public relations practice should be an integral part of management and not merely a tool of management. His inventory contains aspects of future concerns, aspects of

managerial cooperation, as well as aspects of the international facets of public relations:

1. Counseling based on an understanding of human behavior
2. Analyzing future trends and predicting their consequences
3. Research into public opinion, attitudes and expectations and advising on necessary action
4. Establishing and maintaining two-way communication based on truth and full information
5. Preventing conflict and misunderstandings
6. Promoting mutual respect and social responsibility
7. Harmonizing the private and public interest
8. Improving industrial relations
9. Attracting good personnel and reducing labor turnover
10. Promotion of products or services
11. Maximizing profitability
12. Projecting a corporate identity
13. Encouraging an interest in international affairs
14. Promoting an understanding of democracy (pp. xii).

The working process to reach these results comes from the goals and objectives of the managers within the corporation. But the essence of the function and the ultimate purpose of all that is done under the label of public relations is to influence public opinion (Center and Walsh, 1981; Katz and Lazarsfeld, 1955; Nolte and Wilcox, 1979).

American MNCs generally practice some form of international public relations and business communications, regardless of the appropriateness or effectiveness, because they are defined as companies which conduct business in more than one country. As noted above, in international public relations there are many differences to consider in the best

approach to a particular audience, or consumer market, within particular cultures. In many of the Pacific Rim countries, there is a much greater emphasis placed on a different approach to international public relations-- interpersonal public relations in business communications.

Interpersonal Public Relations in International Business

During the mid-1980s a small number of companies recognized the need for more emphasis on the personal involvement of its managers. For example, Miranker (1985) reported that the Graham and James law firm invited a Chinese lawyer to intern in its Beijing office. And, Hewlett-Packard Company surveyed the photo transmission equipment for the Xinhua news service. Miranker noted that these efforts represent a nontypical U.S. public relations approach. She states:

These activities represent the newest U.S. export to the People's Republic of China--public relations. They're a far cry from PR American style, an often glitz blitz of product promos and corporate imagery planted in the public mind through varied media or events. But they do reflect the underlying element of public relations, communicating information (1985, p. D-1).

Maximum effectiveness in interpersonal communications as a public relations function can play a large role in the overall success of MNCs. Ruch and Goodman (1983) contend:

Nothing has come close to replacing the value of the spoken word--especially coming personally from a corporate leader. All the fancy communications hardware in the world can never substitute for the positive benefit of interpersonal communications.... (pp. 93, 94).

McKenna (1985) also believes that mailing out more press releases will not solve today's problems. He states that his focus is on understanding the market, moving with it and forming relationships. He believes:

While information is fleeting, relationships have a permanence that is very powerful in a fast-changing world. Managers might not remember yesterday's headline, but they will remember the people they had lunch with last month and what each person said. By forming the right relationships, a company can gain credibility and recognition (p. 8).

As noted in the previous chapter, a more comprehensive approach to the public relations function of helping to promote or sell the company's products occurred during the 1980s. There was more coordination between the departments of public relations and marketing in MNCs. The words public relations and marketing were frequently interchanged.

While the image of a company is more of a public relations function than a business management function, management is often the most important public relations and marketing tool for the corporation in another country. Managers become the primary communication channel in cultures which base their business operations on connections

and friendships. And, good communication channels are a function of public relations.

The Role of People in International Public Relations

Without denying the importance and the power of mass media to make people aware of issues, personalities and ideas, mass communication studies indicate that the significance of interpersonal relations in influencing people to change their minds cannot be ignored.

The significance of interpersonal relations in communication flows was highlighted by Katz and Lazarsfeld in their book Personal Influence (1955) more than three decades ago. At that time the investigation of personal influence was still a new approach in the field of mass communications. Several studies in the late 1940s and early 1950s indicated what was called a "two-step flow in the effect of mass media." These studies indicated that although people were made aware of issues by mass media, their actual opinion change was highly influenced by people in their community who were considered opinion leaders, who were more likely to expose themselves to the mass media.

Katz and Lazarsfeld (1955) intended their study to extend the scope of traditional communication research by taking into account some specific notions about the role of people. They explained their ideas:

Behind the design of this study was the idea that persons, and especially opinion leaders, could be looked upon as another medium of mass communications, similar to magazines, newspapers and radio. We could study their "coverage," their effect, and in a way, their content (conversations) (p. 8).

Again this research does not diminish the importance of the mass media--in creating an awareness, or in education, to influence public opinion--whether it is the televised nightly news or the televised corporate advertising for public relations. But once the vital step of laying the ground work of awareness is accomplished, interpersonal communications can make a significant difference in convincing people to share a viewpoint.

Ovatt (1988) describes a successful effort in this area in Public Relations Quarterly by a large American company, Olivetti. Ovatt notes that within the "global village" important people in one major country are increasingly important in other countries, such as key figures in the financial world. "A central public relations challenge for Olivetti is to stay in front of influential publics--industrial buyers, financiers, government officials, etc.--in a way that communicates the sophistication and competence of this company as a global operator in a demanding high-technology field" (p. 7). The company accomplishes this goal by conducting a long-running

series of major art exhibitions, which require "connections" around the world.

Moving from country to country, the art shows provide opportunities for company officials to host global influentials in non-commercial settings--gala opening events. Ovaitt notes that "the program director refers to these events as 'the perfect environment' for top-level interaction, and feels there is nearly universal interest among such individuals in the arts" (p. 7).

Olivetti's example in meeting its "public relations challenge" is well taken in countries such as China, where interpersonal communications skills are highly valued as a means of conducting business. In China the mass media environment is significantly different from what is standard in the United States.

For example, the majority of the population does not own a television set. As Reed (1989) states, "In China, where newsprint is scarce, 'newspaper' often refers to something pasted on the wall" (p. 13). Although there are newspapers and other forms of mass communication tools in China, such as the Asian edition of the Wall Street Journal, these mass media forms tend to reach only a small portion of the population: those who are well educated, highly placed in government positions, considered the opinion leaders in the community. In business communications, when one person

attempts to persuade another, the need for skills in effective interpersonal communications increases. And, according to many studies, the need increases to a greater extent when people come from different cultures (Prosser, 1973; Redding, 1984; White, 1986; Reeder, 1987).

Role of the Managers in American MNCs

During the 1990s, managers, as the primary communication channels in American MNCs, may become a greater part of the planned public relations efforts for the corporation. In many cases a corporation must rely on the printed word or audiovisual messages. However, Center and Walsh (1981) believe that the best "carrier for the message," the "best of all modes of communication is face-to-face, person-to-person, one-on-one" (p. 4). The managers, as the "carriers of the message," are expected not only to inform, but also to persuade, which is widely considered the major function of public relations (Center and Walsh, 1981; Nolte and Wilcox, 1979).

The ability to persuade--to induce others to share a viewpoint--and to influence public opinion generally requires an approach to persuasion in public relations (Center and Walsh, 1981). Persuasion plays a major role in the public relations for a corporation. And, persuasion

involves dealing with people--both as groups and as individuals who make up groups.

Dealing with people to influence and persuade them involves a major first step of getting the company's message to the people. Center and Walsh (1981) believe the best "carrier for the message"--the "best of all modes of communication is face-to-face, person-to-person, one-on-one" (p. 4). This mode has the benefit of voice, inflection, eye contact, gesture. "Personal contact is the most effective means of communication," is near the top of the list of 18 maxims which Center and Walsh (1981) promote as part of the practice of public relations related to persuasion and the formation of public opinion.

If the best mode of business communication is often personal contact, and one of the characteristics of public relations and its programs is an emphasis on the use of communication to persuade, then it would seem to follow that the role and the image of the manager as the primary overseas communicators in MNCs should be closely examined by their corporations.

Overcoming Image Problems for American Managers

A challenge in promoting their companies that American corporations face overseas is observed by Grover (1988). The stereotype of the Hollywood movie version of the

American businessman was "the man in the dark hat -- the sinister banker ... the heartless tycoon ... the stern, cigar-chomper who bullied his way through life." Grover is firmly convinced that the businessmen are firmly typecast, and that the three-piece suit now identifies the "bad guy" (pp. 62, 63).

Geber (1988) stated that managers have been described as craving short-term profits at the expense of long-term investment, of ignoring markets in other countries because they are too lazy to take the time to learn the culture, of being risk-adverse, inefficient and unimaginative.

This image problem must be overcome due to the importance of the role of the American manager overseas. As emphasized by Loewenthal (1987) "the company manager is the corporation when working in another country." The role of the manager overseas is also emphasized by Kotler (1986). He states that markets characterized by high entry barriers, such as political issues, require a different approach by executives. "In addition to the four Ps of marketing strategy product, price, place, and promotion--executives must add two more--power and public relations" (p. 117).

The American manager, who functions as a major "channel of communication" in Asia, must know how to persuade rather than offend the very people whom the corporation wants as customers. With this incentive, MNCs are beginning consider

the need for American managers in MNC's to become more culturally "literate."

Communications and Culture: Challenges for American MNCs

While the complications of communication between people in the same culture are substantial, the complications may multiply dramatically in cross-cultural situations (Oliver, 1962; Smith, 1966; Prosser, 1973; Redding, 1984). Among people of the same culture, the person-to-person communications approach has the benefits of voice, eye contact, inflection, gesture and a common language, and at least the possibility of a "shared field of experience" (Schramm, 1954).

This "shared field of experience" can be particularly important in international business communications. The particular challenges of cross-cultural "sending and receiving" in business environments are explained by Hall (1987). He stated that:

Despite popular beliefs to the contrary, the single greatest barrier to business success is the one erected by culture. Each culture has a hidden code of behavior that can rarely be understood without a code breaker. Even though every culture is experienced personally--indeed, few individuals see its commonality--it is nonetheless a share system...Business depends for its life on information, so anything interfering with the communication process, the way in which people transmit or withhold and control information, can ultimately cripple any transaction (pp. xvii, xviii).

The barriers to business success based on the possibilities of communication misunderstandings have been observed for longer than the last three decades. Smith (1966) also believes people may "trip over invisible cultural ropes." Concepts of time and space, for example, are different and may cause problems when people communicate. He adds:

When messages are transported across cultural boundaries, they are encoded in one context and decoded in another. In these intercultural situations there is little of the co-orientation that is a prerequisite for communication in general. This greatly increases the possibility of misunderstandings ... (p. 565).

Redding (1984) also concludes, "It is the overlap in our life experiences, including the things we have been taught, that makes possible understanding and hence, communication" (p. 33). Some of the cultural differences and challenges in communication between Westerners and Asians, according to Reeder (1987) and Tse (1988) include:

1. The concept of "saving face" is all important to Asians and not always fully comprehended by Americans who generally value a direct, "damn-the-torpedoes" approach.
2. The languages are extremely different without the base of comparison in English and European languages.
3. There is a reverse philosophy in American and Asian companies about the priorities in business. Asians believe that the people involved are more important than the task to be performed. American business people often project that the job comes

first with people considered dispensable and interchangeable.

4. There is a reverse in priorities about when business should be initiated. Asians believe trust and friendship should be established first before business is considered. Americans generally want to "get down to business" immediately; have "business before pleasure."

5. There is a difference in how the two cultures view the concept of time. Asians tend to view the long-range, considering what the implications for a decision may be years from now. Americans are generally perceived as concerned with the "bottom line" for the next business quarter.

Reeder (1987) states that "face" is the single most important concept for Westerners to keep in mind when communicating in Asia. He contends that throughout the world pride and dignity are important to people, but nowhere are they so culturally protected as in Asia. He explains that speaking or acting in a way that causes an Asian person to "lose face" has the same effect in Asia as physical assault does in the West. Tse (1988) describes "face" as referring to the respect, dignity and pride of an individual as a consequence of his or her position in society. He notes that this principle influences many facets of life in China where it is considered a means for fostering harmony.

Reeder (1987) states that Asians go to great extremes to save their own face and everyone else's. He notes that "this causes problems for the Westerner, who may not get a straight answer to a straightforward question" (p. 70).

An example of communicating that Reeder gives for an American in Asia is how to ask questions. If the American says, "Can you tell me the way to the post office?" it would not be unusual for the Asian to escort the American; even if it is out of his way. If he does not know, he will point in any direction. To be seen not to know is to lose face (1987, p. 70).

One way Americans can learn to communicate better in an Asian environment and to create better business relationships is to be aware of how he or she asks questions. Reeder (1987) offers a solution: it is in the way the question is asked. "Do you know someone who might help me find a post office?" He also notes that Americans pride themselves on frankness and honesty. But in Asia, "frankness" will always be perceived as rudeness. He adds "both losing face and causing a loss of face have serious corrosive effects on intercultural relations" (p. 70).

Another of the significant differences in the Western and Asian cultures which at least partially explains the difference in the philosophies and priorities in conducting business communications are outlined by Tse (1988). He noted that a prime distinction between the cultures of business managers in the United States and in China is the "individualistic orientation" of the Americans and the "collective orientation" of the Chinese.

Tse states that the U.S. individualistic approach "implies the (1) specific or functional definition of relationships, (2) a utilitarian concept of problem solving (3) a shorter time perspective, and (4) an emphasis on freedom of choice and competition" (p. 82). These attitudes and beliefs are contrasted with the Chinese collective approach which "implies (1) an emphasis on diffused relationships ... not limited to a particular domain or function, (2) a pan-ethical approach to action, emphasizing social objectives in decisions, (3) an intergenerational time perspective that considers the rights of both current and future generations, and (4) an emphasis on collective harmony and discipline" (p. 82).

As Oliver (1962) indicated the cultural differences, how we think, are often greater than the language differences, how we speak. However, there are a number of language barriers for the American manager in conducting international business communications.

Illustrating one aspect of the challenge in the languages, Singer (1987, p. 35) addressed the situation in the Public Relations Journal with humor:

What do you call a person who can speak two languages?
Bilingual.
How about three?
Trilingual.
How about one language?
American.

Singer (1987) notes that fortunately for Americans, English is the universal language of international business. He advises, however, that Americans should never use cliches, sports terms, jargon words, and military terms, and should be careful to use words with the fewest alternate meanings.

Communication is difficult between people of different cultures, but there are ways to overcome the barriers. It is not always possible to spend extended periods living in another culture, gradually understanding a different way of thinking and behaving. It is possible, however, to develop a "shared field of experience" through a cross-cultural training program.

Cross-Cultural Training: Improving International Business

Previously, the cross-cultural training market was considered "soft" and something that sharp managers should be able to pick up on their own after arriving overseas (Kobrin, 1984; Harris and Moran, 1987). The dawning recognition that there is a need for managers to gain cross-cultural communication skills could eventually bring about a profound change in how corporations plan for public relations.

To succeed on an international public relations basis, all managers need to learn how to communicate effectively

within different cultures. Effective public relations on a global basis, or international marketing, succeeds "only where good communications exist" (Peak, 1985).

The important links between cross-cultural training, improved communications, and therefore, improved public relations are illustrated by Peak (1985), by comparing the human mind to a computer that receives, stores, organizes, processes and disseminates information. He stresses that good communications exist where there is some level of harmony in the programming of the parties. "It is not realistic, therefore, to assume that we can have good communications with people from other cultures, especially non-Western cultures, without some mutuality in our basic program. Learning our customer's language helps, but is not the whole game. Learning to communicate, however, is the game" (p. 138) (Emphasis added).

China: Challenges in Cross-Cultural Business Communications

Perhaps the cliché "As far as the East is from the West," connotes the stereotyped perceptions regarding the cultural differences and the cross-cultural challenges between the United States and Asia, particularly China.

Fox (1987) interviewed people at two Hong Kong based market research companies to learn about the challenges in China. Some of the points included:

- o The Chinese are suspicious of foreigners collecting information. It could be viewed as collecting intelligence. (i.e., "We had to persuade them that research was not spying.")

- o Collecting information is not impossible. With the right 'Guanxi'--connections--and enough effort, you would be able to get nearer to what you want.

- o While the economy is booming and the potential mind-boggling, research is essential in China. "Not only are the Chinese still ignorant about foreign-made products and services, but Western companies are equally naive about China."

- o China is a complicated country not only politically, but culturally, as well. Clients must first have to deal with selling their product in a foreign language. "If you do not have a Chinese name, you can hardly register the product name in the minds of the consumers."

- o The market research is worth it. China, after all, has over 1 billion people. (pp. S-12, S-14).

Another major point Fox (1987) makes is that China wants American goods without necessarily getting "contaminated." One of the researchers, Louis Tong, SRH of Hong Kong, stated, "In TV advertising, for example, things that work very well in the West like sex appeal and the promotion of lavish consumption may not necessarily be suitable for China. You must promote on the grounds that a product is good for China's modernization" (p. S-14).

In overseas countries that are vastly different, American managers have an even greater incentive to learn how to communicate effectively within that culture. This

becomes increasingly important in Asian countries, such as China and Hong Kong, as the significance of U.S. trade with them continues to grow.

The Role of Training in Cross-Cultural Business

Harris and Moran (1987) believe that "the most basic skill that international managers must cultivate is in inter-cultural communications. To facilitate our interactions with persons who do not share our values ... or learned ways to behaving requires new competencies and sensitivities" (p. 53)

This observation gains further validity when applied to doing business in China. As Harris and Moran (1987) note, China is probably one of the most difficult countries for an outsider to understand and adapt to; and they believe that the Chinese rank among the toughest negotiators in the world. As Graham and Herberger (1983) state, when it comes to negotiating and bargaining overseas, the American "Old West style" does not work well. These authors contend "the John Wayne bargaining style that may have served us well in conference rooms across the country does us a great disservice in conference rooms across the sea" (p. 161).

Although solving problems in international business communications may be difficult, it is not impossible. As Peak (1985) noted several years ago, "We simply need to

learn each country's cultural habits. We also must understand how our nuances affect other cultures. The knowledge for success is available, if we'll only take the time to learn" (p. 146).

Many experts and many indicators show that this is, indeed, the time to learn. The increase in the number of Americans involved internationally is a trend projected to increase. The stakes are becoming higher for MNCs that wish to expand overseas and the need to improve the public relations and corporate image is becoming more evident. With the recent information regarding the recognized need for a new interpersonal approach in public relations, it would seem likely that more and more MNCs would want to take this approach as a means to enhance their own corporate image and to improve their own position in international trade.

As strongly as international experts in trade and cross-cultural training have urged the need for business people to gain knowledge, there is still opposition and controversy in this area. Kobrin's (1984) research report, International Expertise in American Business, found that most managers he surveyed would agree that knowledge of other cultures, or international expertise, increases effectiveness abroad, assuming that technical and professional abilities are already there.

But in Kobrin's study there was a split between those who feel expertise is very important or even necessary for effective international performance, and those who see it as a less important requirement that can be picked up by a sharp person. Immediately after reporting this finding, however, Kobrin (1984) stresses three significant points:

First, the value of international expertise may not be apparent to those who do not have it.

Second, there is a tendency to consider 'the ability to do the job' and international expertise to be independent of one another, to define the former in terms of business skills alone, a separation of the task from its adaptability as a result of basic personality traits.

Finally, the implication is that international managers are born, not made. In fact, however, "adaptability may well be learned; it may come with an appreciation of individual and national differences" (p. 25).

Numerous researchers (Lee, 1983; Hawkins, 1983; Baker, 1984; Hallett, 1988; Lombardo, 1989) show a consensus that arguments by MNCs used in the past against training seem less valid each year:

1. It's too costly.
What about costs incurred when expatriates return early due to lack of adaptability? What about the cost of trying to rebuild an advertising campaign? What about the multi-million dollar contracts going to others with fewer mistakes in negotiations and public relations?

2. They can learn our way.
Why? They no longer have to. There is competition with other countries like Japan which has a record of extensive cross-cultural training before doing business with others. The American way is not always the expedient or best way in a country with a completely different culture. Although English may be the "business language," it is often during the social hours where valuable contacts are made and friendships are established with opinion leaders.
3. Managers can learn by trial and error--
"throw them in to sink or swim."
Again, mistakes have proven too costly--in negotiations, advertising and public relations. The costs of sending business people overseas for extended periods has become prohibitive, even though more employees than ever need to know about other cultures.

American managers need to know more about the cultures and the concepts of acceptable business communications in order to be effective in the Asian markets. The cost of training is relevant to the cost of losing existing business and losing in the international trade game of the 1990s and the coming "Pacific Century." Emphasizing the need for training programs for improving skills, Stein (1989) stated "it is not only by identifying the impact of inadequate skills on business problems that realistic levels of training expenditures can be established. The issue should never be the cost of training but rather the cost of not training" (p. 124).

As Lombardo (1989) also noted "most of the training programs we come up with stem from a problem or a need. If the problem hurts enough, no one seems to talk about the money it costs" (p. 64). Hallett (1988) states that we should determine "if education and training should be treated as an expense or an investment ... To remain competitive, our work force must have the knowledge, information and skills that allow us ... to achieve higher levels of productivity and quality at all levels of activities" (p. 24).

Adler (1983) conducted one of the few studies to specifically link the need for cross-cultural training in corporations and improvement of the MNC's public relations and communications through its managers. She reviewed over 11,000 articles in 24 management journals between 1970 and 1980 and found that fewer than five percent could be classified as cross-cultural management, or used a multinational approach to organizational behavior.

Although Adler's (1983) study consistently highlights the need for more effective public relations, she mainly focuses on the management aspects rather than the mass communications aspects of MNCs. However, in both current and future challenges the study emphasizes communication problems between organizational units operating in different cultures. Concern about effective communications ranked second only to concern about cultural dominance represented as company

policies favoring one nationality (usually that of the home organization) over those of other nationalities. These problems include favoritism, ethnocentrism, and ignoring cultural differences.

Perhaps the major finding of Adler's study was that "training managers to be sensitive to cultural consideration" was seen as being more important than either locating or selecting competent job candidates. From the perspective of the experts questioned, the "major issue was training--creating cross-culturally skilled managers--not selection, not finding appropriately skilled managers" (p. 33) (Emphasis added).

Cross-Cultural Training: Challenges in Playing the
International Business Game

As the most important communication channel for the corporation in another country, the managers and executives should be as "highly polished" as any other communication channel the corporation uses for representation, such as its printed material or television advertising. The quality of the brochure or annual report reflects on the corporation.

The quality of communication skills of the managers reflects at least as much on the corporation in the United States, and to a much greater extent overseas. This "highly

polished" state has not reached a significant level by most American business people, according to many accounts.

The importance of learning how to play the game through cross-cultural training grows ever greater for managers who must play the game abroad, and act as a public relations agent for their corporation. As Hall (1959) stated, in another culture, when someone says "yes" it often doesn't mean yes at all, and when people smile, it doesn't always mean they are pleased.

Many of the company representatives on all levels of management--unaware of cultural subtleties--alienate the host company nationals. When this happens, the foreign nationals may well conclude that using American products is not the only way to meet their needs (Loewenthal and Snedden, 1981).

In MNCs where there is a general consensus that public relations is a subset of business, it may also be recognized that cross-cultural training is a means to enhance business communications. Cross-cultural training serves a number of purposes to improve the manager's position and to improve public relations.

One of its major advantages is the sense of being prepared and sense of confidence it gives the people who must communicate. Competent managers in international business are educated to perform successfully, contends Robert T. Moran, director of the program for cross-cultural communication at

the American Graduate School of International Management in Phoenix. He says cultural information enables a manager to anticipate behavior and lessen the chance of building up animosity (Hawkins, 1983).

For example, the first problem that arose was communication in a recent exercise at the University of Michigan's business school for a group of 21 senior executives from major corporations, according to Main (1989). A five-week exercise was designed to assist managers in obtaining the skills they need for working with others in a global marketplace. The group was composed of 10 managers from Japan, eight from the United States, and one each from Brazil, Britain and India.

Main (1989) described some of the events of the first two meetings:

Stiff and ill at east at first, the Japanese said little, and some of what they did say was hard to understand. The Americans talked too much and wondered when the Japanese were going to make a contribution. On the second day a member of the program's faculty ... intervened to clear the air. First he suggested the Japanese might be more comfortable if they made it clear how they preferred to be addressed. On an attempt to be jolly good fellows, some had adopted American nicknames ... Eddie ... but really preferred the more respectful Endo-san. Social order was restored (p. 71).

Other cultural differences which became apparent during the exercises were the approaches to speaking out during meetings. Unlike the Americans who like to jump in

and grab control of a meeting, the Japanese prefer to wait and listen, and the higher their rank, the more they listen. The Japanese have a subtle saying, "He who speaks first at a meeting is a dumb ass," reported Main (1989). He added that the Americans adopted the "two-second rule" of waiting two seconds when someone else finishes speaking to give others a chance.

In addition to improving the immediate interpersonal relationships, the training also helps promote an atmosphere for inducing positive public opinion; it's an appeal to audience self-interest; and it helps create the perception that the source of information can be regarded as trustworthy, expert or authoritative. All of these public relations functions are noted by Center and Walsh (1981) as essential toward persuasion and the formation of public opinion.

Two of the main functions of both public relations and managers in MNCs are to inform and to persuade. Training gives managers the skills to perform these functions in cross-cultural situations. The special training improves the ability of MNC managers to be effective "carriers of the message."

Cross-Cultural Training: Creating Skilled Managers

An example of a widely-recognized orientation program is the Experiment in International Living, which has served the field of international cultural exchange since 1932. Fantini (1984) chose to introduce the Cross-Cultural Orientation manual with the following quote:

I've often thought there ought to be a manual to hand little kids, telling them what kind of planet they're on ... called 'Welcome to Earth'... and one thing I would really like to tell them about is cultural relativity. I didn't learn until I was in college about all the other cultures, and I should have learned in the first grade. A first grader should understand that his or her culture isn't a rational invention; that there are thousands of other cultures and they all work pretty well; that all cultures function on faith rather than truth; that there are lots of alternatives to our own society.

Kurt Vonnegut, Jr.
Wampeters, Foma and Granfallons

Recognizing two of the quote's main points--"there are thousands of other cultures" and "there are lots of alternatives to our own society"--is a first step in undertaking cross-cultural training, according to Fantini and many other leaders.

A number of experts believe there should be a stage of self assessment before an American begins to learn about other cultures (Muniz and Chasnoff, 1983; Fantini, 1984; Lee, 1983; Rossett, 1990). Self-understanding and how it relates to interpersonal abilities is the

foundation of "The Cultural Awareness Hierarchy," according to Muniz and Chasnoff (1983).

Geber (1989) included in her article "A Global Approach to Training," commenting on the United States she stated that although no culture is probably opposed to hard work, cleanliness, and promptness, few place such high priority on these traits and fewer still consider them moral virtues. The U.S. culture is also usually radically different from other cultures in concepts such as self-reliance, optimism about the future, positive attitudes toward change, democracy, religion and pragmatism.

Participants in the Experiment in International Living program are better prepared by first having to assess their current awareness and answer the questions, "Who am I?" and "Where do I come from?" before studying where they will go (Fantini, 1984). Rossett (1990) commented, "inadequate needs assessments ultimately create situations where training doesn't do what needs to be done. That's not just bad for the trainers, it's bad for their organizations, too" (p. 36).

Since the majority of American companies do not offer cross-cultural training according to many studies, Lombardo (1989) makes a case for training departments

to use a cost-benefit analysis (CBA) approach in corporations which lack an understanding or appreciation. She stated that "acceptance of the need for training may not be part of the company's underlying business philosophy. As a consequence, training may not have a well-defined niche within the organization. CBA can help ... establish credibility ... a way of proving that training is a necessity and not a luxury" (p. 61).

When training is offered and companies prepare managers for the relocation to an overseas location, some experts believe it's a good idea to conduct interviews with the candidate and the candidate's family. This should be done before going too far into the program, to determine motivations, attitudes, and expectations (Baker, 1984; Loewenthal and Snedden, 1981). The employee could decide somewhere along the line that he or she is not enthusiastic about the overseas assignment after all.

Loewenthal and Snedden (1981) assert, "Employees should be allowed to withdraw gracefully. This process of self-selection prior to the actual relocation will save the company money and should be possible without negative career implications for the candidate who has made an honest self-assessment" (p. 42). The amount of money a company may save goes into the ten's of thousands

of dollars according to Gary Lloyd (1987), director of Business Council of International Understanding.

The next step, after the self-assessment and the examination of the U.S. culture, is to start studying the other culture. In MNCs which offer predeparture orientation, the program lengths vary depending on the individual selected and the time allowed by the situation and the corporation (Baker, 1984). Some may include only a few hours; others offer programs that are one day in length. Of the study sample of 184 in Baker's (1984) survey, five companies offered programs lasting from two to five days; one offered a 10-day course; and another lasted from two to six months.

Peak (1985) also notes that a small minority of American companies offer as many as two months of full-time language training, but don't necessarily include customs and behavioral nuances. However, a few companies have gone beyond that to provide instruction in language and culture tailored for business.

What type of information is offered in preparing the employee and his or her family for relocation overseas? This may vary greatly. The information offered is dependent on the size of the company, the countries where it will be doing business and the skill level of managers assigned.

Although large MNCs have the greatest representation in international public relations efforts, many small and medium-sized companies have entered or are attempting to enter the global marketplace. Cellich (1989) believes that "training is one of the most important services that agencies responsible for promoting small and medium-size enterprises can offer" (p. 8). According to Cellich (1989) a different approach is needed for smaller companies. As an example, he explained that in a smaller company the various exporting functions are often grouped under only a few or even one manager, so the training subjects must be appropriately combined.

When considering the type of training to offer, Loewenthal and Snedden (1981) believe a broad range of factors should be covered--for both job specifics and country knowledge. Job specifics include scope and responsibilities, labor relations, rate and conditions of pay. Information for country knowledge includes customs of the area, information about the people, government, living conditions, such as medical care, housing, local transportation, schools, recreational opportunities, language, and, particularly, for those at the management level, information concerning interactions with U.S. and local government representatives, clients and other company employees at the site. They assert there should

also be specific orientation geared toward the spouses and children to help with the transition.

These author-trainers believe a program should be informational and experiential with both printed and audiovisual materials, which are continuously updated. Recommended by Loewenthal and utilized by corporations such as Hewlett-Packard Company, one film series is a particularly helpful audio-visual approach to cross-cultural training available through Copeland Griggs Productions (1983). "Going International" is a series of four films and training guides designed to assist executives and traveling representatives, as well as families who are planning to move overseas, according to the films' producers, Lewis Griggs and Lennie Copeland (1987).

Another style of training is offered through the Experiment in International Living based in Vermont. The Experiment has mounted cross-cultural training programs for multinational corporations, the Peace Corps, and other organizations (Batchelder and Warner, 1977). Although the Experiment offers both cognitive approaches to learning and the more experiential learning exercises, the organization has developed its own sophisticated set of concepts and methodology in cross-cultural education and training. It has an elaborately designed series of

exercises for participant role-playing, illustrating cultural assumptions and rationale (Batchelder and Warner, 1977).

Also a proponent of the simulation method of learning is Hendrickson (1989). He believes that customized training simulations, or programs that teach management and professional skills in the context of actual work situations, are a solution to the challenge of linking learning to the day-to-day business environment.

He identified eight steps that can help build an effective simulation for a training program: (1) identify learning objectives, (2) assemble a design team of insiders, (3) identify the tasks and daily routine of the target population, (4) find the "gotchas," or things that get in the way, such as unclear lines of authority that get in the way of quick decisions, (5) integrate information (steps 1,3, and 4) into an overall training design, (6) add content breaks, such as a series of lectures or seminars, (7) develop an assessment strategy, and (8) conduct a pilot program. Hendrickson (1989) stated that:

Training in context means taking time to build reality into your training design. It also means understanding how job pressures and the organizational climate affect the way the work gets done. Most of all, it means that you have

taken steps to help your trainees use new knowledge back on the job, where it will make a difference (p. 70).

Almost all the experts stress the importance of language training. Asher (1981) notes the need for American managers to become proficient in other languages:

Because so few American executives speak anything but English, U.S. companies must often rely on foreign nationals to run subsidiaries abroad and are losing out to multilingual competitors like the Japanese and Germans (p. 53).

Asher (1981) has developed a method of stress-free second language learning over a period of 20 years. His method, called Total Physical Response (TPR) is currently being used by several thousand language teachers in the United States and throughout the world. He believes:

One of the major contributions that Americans can make to their country's cultural, economic and military well-being is to acquire another language or two. If we want to do business -- political or commercial -- with people in other countries, it is insulting to expect the communication to always be in English. It also doesn't work very well. America can no longer afford blunders ... (p. 59).

Language translations should be done carefully and checked closely by native speakers for potentially negative associations, according to White (1986). She describes one company's anxious effort to impress upon

the Chinese market the extensiveness of its experience. The attempt was to describe itself as an "old friend" of China, but an incorrect character was used and implied that the company was old in the sense of "bygone," "used," or worse, "former" (p. 15).

One training institution which places a great deal of emphasis on language training is the Monterey Institute of International Studies in Monterey, California. Considered by many as an intensive, "crash course, it was chosen by E.I du Pont of Nemours and Company as the training site for equity analyst George Haloulakis before his assignment to Japan. The company's management wanted to rely on its own input, as opposed to a third party's for the Japanese portion of its international investment portfolio.

The course included body language and intonations, such as how to present a business card and how to drink sake. Three instructors trained him for six weeks, six hours a day. And Haloulakis was the only student. "It makes a difference," he said. "I'm able to establish very good rapport" (Peak, 1985, p. 146).

A recent example of cross-cultural training is the five-week exercise offered by the University of Michigan's School of Business, according to (Main, 1989). This exercise included attending lectures and seminars as

well as surviving a simulated press ambush, attending a briefing in Washington, traveling on fact-finding teams to Brazil, India and China, building rafts and climbing cliffs, and generally gaining "a sense that this global managing stuff may be more complicated than they thought" (p. 71). The globalists were constantly tested, analyzed, videotaped and asked to reflect on their actions.

Main (1989) noted that it will take years to determine how effective the program was, but some participants--managers from Japan, Brazil, Britain, India as well as the United States--saw immediate benefits. For instance, the Americans indicated they would be more patient and take time to explain and listen more. Japanese manager said they would be more assertive in a nonheroric way. Main summarized that the program seemed like a "worthwhile first try at training a new type of executive that few companies have and many badly want" (p. 75).

Studies indicate that the emphasis placed on cross-cultural training by those American MNCs which actually offer programs is in sharp contrast to our counterparts in Europe and Japan. Baker's (1984) survey showed that fewer than 25 percent of the American respondents offer

any type of predeparture training, and in those MNCs where they are available, they tend to be "very short and superficial in coverage" (p. 72). American firms generally consider English to be the working language. Peak (1985) states that foreign multinationals stress learning the language and culture of the country of future assignment much more than we do.

For example, most large Japanese companies usually give their expatriates assigned to America from two to five months of in-house, full-time English language training. Furthermore, these officials are relieved of all work-related responsibilities while they are training. Lessons also encompass details on the cultural patterns of our business behavior.

Baker (1984) feels, "in light of what European and Asian companies are doing in this area, it should come as no surprise that American employees overseas continue to fail in adapting to the overseas environment. Until more emphasis is placed on foreign language and predeparture orientation training, success in the international business arena will not be totally realized by U.S. firms" (p. 72).

And, as White (1986) stated, "while marketing to the PRC is indeed a difficult task, made even more difficult by a language and cultural gulf as wide as the Pacific,

it can be extremely rewarding. But the rewards will come only through the effective use of communications. This begins with a familiarity of the Chinese people" (p. 15).

The recognition of the need for American managers in MNCs to become more culturally "literate" is a profound change in how to plan for public relations overseas. This exploratory study focuses on the challenges in promoting international business in cross-cultural environments, particularly by American managers for MNCs in Hong Kong and China.

CHAPTER III

METHODS, PROCEDURES, DEFINITIONS

The goal of this study was to provide an exploratory, descriptive overview for understanding how cross-cultural interpersonal business communications--particularly those of American and Asian business leaders--are affected by differences in the cultures. This study posits that business communications, such as those involved in public relations, marketing, and negotiating, are affected by the level of effectiveness of the communications between people of different cultures, thereby affecting the MNCs corporate image and, ultimately, affecting trade between countries.

The study attempts to demonstrate the importance of the role of the American manager overseas, particularly where interpersonal communications are valued as the primary means of doing business. And, it attempts to illustrate how the use of cross-cultural training programs for managers may improve the public relations of the multinational corporations.

Due to the relative newness of this subject matter--an interpersonal approach to international public

relations and marketing communications--it was necessary to use the purposive interview research method. Information was gathered and interviews were conducted over a four-year period between 1986-1990 on both the East and West coasts of the United States, primarily in the San Francisco Bay Area and the Washington, D.C. area.

The exploratory descriptive study methodology was chosen due to a lack of existing literature in this area of international public relations. According to Stempel and Westley (1981) "the epitome of the descriptive study is the presentation of an array of data whose whole purpose is the empirical representation of some phenomenon at one or more points in time (1981, pp. 169-170).

This study relies on the experiences and or observations of experts in international business. These experts are a purposive sampling of the population chosen because of their unique skills and backgrounds in international business. As suggested by Babbie (1989) this study concerns "a small subset of a larger population in which many members of the subset are easily identified, but the enumeration of all of them would be nearly impossible" (p. 204). Exploratory studies often raise questions for additional future studies in related areas of mass communications.

For the purposes of this study a small group of experts in international business communications are representative of all U.S. and Asian managers who conduct international business. The exploratory, descriptive study methodology is appropriate because information about perceptions of personal success and effectiveness, as well as lack of success in cross-cultural business communications between Asians and Americans is available only from the business leaders and managers involved in this international field. Rather than randomly selected participants, this study includes only experts selected for their knowledge, and experience in cross-cultural communications for and within the area of international business.

The Sample Groups

The members of Asian American Manufacturers Association (AAMA) were identified as experts for this paper because of their vast experience in international business; their proven abilities to work successfully on both sides of the Pacific, and to work often as a link between American businesses and Asian companies; their fluency in at least two languages and their dual-cultural backgrounds. A cursory examination of the biographical sketches of the members and the companies they represent

revealed a wealth of information regarding the extensive cross-cultural experiences in international business.

AAMA members have a unique role in the challenges of international trade: they are welcomed and invited by top government and corporate officials to conduct business on both sides of the Pacific. At the invitation of the Hong Kong government, they conducted several joint conferences on how American companies can do business in Hong Kong and China.

Described as a membership that "reads like a Silicon Valley Who's Who of Asian entrepreneurs," by Beth Hughes, international business reporter for the San Francisco Times, the majority of AAMA members are business leaders and entrepreneurs with more than 20 years of experience in key decision positions for business concerns spanning both sides of the Pacific Ocean.

Their backgrounds include spending their youths in Asia, spending their higher educational years in the United States, and then establishing their own companies in California, with branch offices and strong business connections in Asia.

A report, requested by the author of this study and compiled by Steve Lau, president of Eastquest International and other AAMA board members, outlined the financial impact of the organization in the Bay Area of

California. In that report, which was distributed to the area's international press, the following information was included:

AAMA Vital Statistics

1. AAMA has approximately 490 individual members representing over 400 companies.
2. Total annual sales for all local member manufacturing companies (but excluding a list of large multinationals, as shown below) are approximately \$1.5 billion. This number is considered a conservative estimate.

Companies which have employees as AAMA members, but are excluded from the above estimate include: IBM, Sun Microsystems, Fujitsu, Lockheed, Hyundai, Hewlett-Packard, AMD, LSI Logic and Wang Labs.

Excluded from the above sales number are also accounting firms, banks and investment firms. (If a sales total were combined for the entire group of companies, it could exceed the original estimate by as much as 100 times more.) Although this is an estimate, it does give an indication of the sphere of influence of AAMA members.

3. If each employee of those corporations represented in the above companies generates \$100,000 annual sales (higher than local average), then total employment by member corporations is 15,000 workers.
4. If each worker earns an average annual income of \$35,000, (somewhat low for technical professionals and management) then total payroll is \$525 million.
5. Assume savings rate at the new national average of 4.5 percent, then the spending power (minus income tax) of these workers is \$501 million--a substantial investment in the Bay Area economy.

In addition to their financial contributions, members of AAMA are consistently chosen or appointed to

serve on state and national commissions and boards. For example, one of the founders of AAMA, David K. Lam, the current president of Expert Edge, was recently appointed by President Bush to the Commission on Minority Business Development, which reports directly to President Bush. Lam's former company, Wyse Technology, was featured in the January 15, 1990, issue of Fortune as an example of economic interdependence and global opportunities. Wyse was purchased by a group of Taiwanese businessmen for \$157 million. This was the first purchase by Taiwan of a publicly held U.S. company.

The organization of AAMA, which is based in Menlo Park just south of San Francisco, serves as a vital link for businesses in America and in Asia. The members of this group were the primary and most helpful sources of information for gaining perceptions and information on doing business in China and Hong Kong. (See the next chapter and also, "Sources Consulted: Interviews" for detailed listings.)

The association was launched nine years ago by Nelson Dong and five other Asian business leaders. Another founder and the current chairman, John Chan, states "we're recognized for our abilities in business and for our network that extends to the other side of the ocean." This organization was chosen by the author of

this study as a primary resource for exploring the perceptions of Asians regarding the challenges and current effectiveness of Americans in cross-cultural business contexts.

Since there is no easily identified, specific group or organization equivalent to AAMA of U.S. business leaders involved in business communications for international trade, American managers and business leaders were chosen individually according to their professional experience, as well as their knowledge of conducting business in Asia.

A basis for selecting interviewees in this group was knowledge of their experience determined by availability to their personal biographies or biographical sketches included on the brochures of international conferences where they were featured speakers. In a few cases an interviewee would refer this author to a colleague with at least equal international business experience.

An effort was made to choose, within the limits of their schedules and willingness to be interviewed, the 20 business communicators who represented the highest level of expertise in international business communications in terms of: years of experience, extent of exposure to both Asian and American cultures, and recognition by others as

acknowledged by their positions in the companies and appointment to boards and commissions.

The initial step toward the goal of this study was an extensive review of the literature in the related categories: (1) international business public relations, (2) the role of the managers as communication channels for the corporations, (3) the challenges of communications in cross-cultural contexts, and (4) the role of relevant cross-cultural training programs in providing a means to improve communication.

The next steps included identifying experts in the categories mentioned below, and determining questions appropriate for their area of expertise. For the purposes of this study interviews were conducted with individuals who were in one of the following categories: (1) American managers involved in international business with interests in the Pacific Rim; (2) Asian business leaders based in the United States, but whose work frequently requires travel to Asia; (3) experts in international trade and trade promotion, particularly those involved with Hong Kong and China; (4) experts in the field of cross-cultural training designed to prepare Americans for more effective communication skills overseas.

In all there were 52 total interviews. Personal meetings were held with 44, and telephone interviews were held with eight. In order to distinguish the telephone interviews from the personal interviews the eight telephone interviewees are listed by name. (Please see "Sources Consulted: Interviews" for their titles and places of business). The eight telephone interviews were held with the following: George P. Koo, Jerome F. Luftman, Paul Oliva, Dr. Kent Myer, Dr. Barbara Bundy, Peter Falion, Lois Purdam, Catherine Keane, Rita Bennett, Lynda Hamby, Marian Stetson-Rodriguez, and Deborah Leck.

All of the 20 interviews for experts in international business communications were conducted in person. Of this group, the perceptions of 10 American managers and 10 Asian business leaders were explored and examined regarding the status of business communications and the potential need for improvements. The other interviews included four experts on the Pacific Rim countries, 17 experts in the field of cross-cultural training and 11 experts in promoting international trade and international marketing. The members of the comparison group, American and Asian business managers and leaders, are listed with their titles and organizations in the next chapter.

Questions for interviews were tailored according to each person's area of expertise and field; however, some questions were used uniformly to gain insights on perceptions of international business leaders. There were three areas of research questions, which lended themselves toward a universal approach, permitting the accumulation of comparison information. A perspective on the differences and similarities of the attitudes, perceptions and practices of American and Asian business leaders on effective cross-cultural business communications can be gained.

Of particular interest were the perceptions of American managers and Asian business leaders regarding the current status of business communications between the two groups, and what needs to be done to improve these communications for the future. For example, questions for the American and Asian experts in business communications included:

- o What Asian traits (or American traits) do you wish American (or Asian) managers would develop to help create smoother negotiations and better communications?
- o What culture traits of both Americans and Asians have caused delays or deadends in business communications in Asia?
- o How does the approach or practice of public relations in China compare with the approach used in the United States?

- o What do you consider the most important type of public relations/marketing considerations for American managers who want to do business in China and Hong Kong?

- o What would you suggest that American MNCs and their managers can do to improve business communications in Asia in the future?

The necessity of undertaking an exploratory study became apparent following an initial attempt to gather information in the San Francisco Bay Area via a previous questionnaire, which focused on cross-cultural training and its potential links to improving business communications. Very few managers of MNCs or Asian business leaders questioned in the Bay Area even had an awareness about cross-cultural training, and fewer had participated in any sort of cross-cultural orientation. Almost all had gained their expertise in international business either by a "sink or swim situation"--learning from mistakes, or by virtue of birth and education in different cultures.

While asking questions during personal interviews with these dual-cultural business people, it became apparent that when questions regarding formal cross-cultural training were addressed there was an unfamiliarity with the topic, and in some cases an uneasiness was apparent. One company officer, in particular, expressed some impatience and, perhaps,

defensiveness at the questions by stating, "I did not need training. I was born this smart." Most of the interviewees had taken the time to gain the information on their own, without benefit of an organized training program.

Of the few who had experienced cross-cultural training, such as Ralph Thomson, the training was obtained while working in a large corporation and not in their current situation. For instance, Thomson was director of international relations at Control Data when he received training at the Business Council for International Understanding before joining the American Electronics Association, and then forming IBC, his own international company.

From the background interviews conducted with cross-cultural trainers in the Bay Area, this author became aware of a number of large corporations which do offer some form of cross-cultural training program, such as Raychem, Intel and Bechtel. However, requests to interview executives and managers and to gain access to training sessions for observation for the study were denied.

The large MNC which was most helpful was Hewlett-Packard Company, primarily through Andre Rudé, the director of international personnel. He permitted the

author to attend a presentation of the film, "Going International" at the corporation in 1986 and to attend a conference for international personnel department heads in 1987 regarding issues such as company benefits, tax differences, and cultural differences in overseas assignments.

However, in a personal interview in 1987 Rude commented that the benefits and tax information issues were the main interests of the company managers involved in international business. Although there were a number of managers who had gone through an instructional orientation at Hewlett-Packard prior to going overseas, Rude stated that it was "very difficult to get executives to attend the classes in cross-cultural training. We finally resorted to a notebook of information that we think they will need. They just wanted to come by and pick up the notebook, but either did not have the time or wanted to take the time for the classes."

Perhaps the size of the corporation and the day-to-day business demands placed on the managers play a role in their seeming lack of interest. In a subsequent personal interview with a manager at this corporation, the author learned that the manager was not aware that the cross-cultural courses were being offered. He did state, however, that he doubted that he or anyone in his

division would have the time to attend since they were opening a new international market area.

This author learned through the course of personal interviews with executives who did allow the time for interviews, that it made a significant difference when the questions were less structured. If a more conversational approach was taken and questions were centered on the interviewee's personal experiences in international business, challenges and ways of solving problems in business communications, the interviewee would often allow the meeting to take twice as long as the requested 20 minutes to describe his perceptions. The advantages of face-to-face interviews for mass communication studies are also noted by Stempel and Westley (1981). These authors state that "people do not become bored or impatient as quickly with another person as they do with a questionnaire or disembodied voice. The face-to-face interview thereby takes maximum advantage of the occasion to collect information" (p. 148).

A disadvantage of the purposive interview method of research is the small number of the sample, thereby eliminating significant generalizability. However, as other researchers have noted, the open-ended questions and the benefits of personal interviews permit a wealth

of in-depth information in perceptions and beliefs not offered by other methods.

Other disadvantages of this research method as experienced by this author and listed by Stempel and Westley (1981) include the greatest financial expense of the survey methods for the researcher, the greatest administrative burdens, and the greatest "length of time in amassing data ready for analysis. What it provides to the maximum degree is control over collection of information. This is the justification for the expense of the face-to-face interview" (pp. 147- 148). Also, this author's observation and position in favor of this method was later verified and strengthened by several experts in the field of cross-cultural business training. Dr. Glen Fisher, professor-diplomat, International Policy Studies, Monterey Institute of International Studies in California, emphasized during a personal interview in 1987 that the one-on-one meeting with open-ended, conversational questions is "the only way to gather the real pictures of how people respond in cross-cultural communication interactions." Dr. Fisher believes it is not possible to get the same results from a structured questionnaire because culture is not a measurable commodity; people don't always tell the complete story on

questionnaires because their answers are often what they might think you want to hear or what sounds best.

Dr. Fisher's observations became even more viable when a pilot questionnaire was presented to several key members of AAMA by the author of this thesis. This pilot questionnaire focused on business communication skills and the various types of marketing and public relations efforts in China and Hong Kong (based on comparisons with what is available and considered effective in the United States).

It was strongly indicated by AAMA key officers of the board that this survey method, mailed questionnaire, was not feasible as an information gathering tool for the Asian American Manufacturers Association. The officers indicated that they had tried several times with nominal results to gain information from AAMA members by using a mailed questionnaire. And, they strongly indicated that the AAMA membership would not relate to questions regarding public relations practices as perceived in the United States since basically all Asian business is handled through personal connections.

John Chan, Chairman of AAMA, offered explanations for this lack of response: one, AAMA members are extremely busy business people, most of whom own and operate their companies and include travel between the

United States and the Pacific Rim as part of their routine work; and two, AAMA members are mostly Asian in origin and it is a "part of the culture to protect the individual's privacy. A questionnaire is considered an type of invasion of privacy."

The review of the literature also verifies the use of a personal interview approach. In a study by R. Andre (1985), "The Effects of Multinational Business Training: A Replication of INSTEAD Research in an Institute in the United States." Rude offers the following advice for future researchers:

As researchers studying this process, our problems are enormous. There are very few examples of multinational business education experiences. Also a strong temptation is to standardize instruments across programs to avoid incessant apologies for small N-sizes.... Questionnaire studies are efficient. However, the results of this study indicate that there are probably more valid methodologies for exploring these complex phenomena. We suggest that successful future research in international training settings should include detailed, open-ended data gathering processes: in short, it should emphasize a more inductive approach to the problem (p. 15).

Many of the people interviewed for this exploratory study supplied additional information from their private files, articles and publications. This included an extensive collection of information from the U.S. Department of Commerce; the Hong Kong Government Industry

Department, San Francisco Office; and literature describing and promoting the different types of cross-cultural programs available.

Useful information was also collected from numerous articles from periodicals, magazines and journals. Articles were selected that pertained to international marketing, communications, public relations, American managers in overseas environments, international trade and competition, cross-cultural training and projections for the future of American international business and trade.

Attending conferences and seminars on international trade, particularly China and other Pacific Rim countries, and conferences on and for cross-cultural trainers also provided additional printed materials. The conferences provided this author with the opportunity to gain collections of notes from keynote speakers in the related fields of this thesis.

Most of the experts approached for a personal interview--including the presidents of major American MNCs, top decision makers at the U.S. Department of Commerce, and presidents and directors of some of the most widely recognized cross-cultural training programs--agreed to an interview and were helpful in suggesting additional resources. However, constraints of this study

include the fact that the majority of the leaders and managers involved in international business do travel overseas a great deal. Scheduling times for appointments with these interviewees proved a considerable challenge to the study. As noted previously, the personal interview study method also involves time and financial constraints for the researcher who usually must travel to each individual expert's place of choice.

Definition of the Terms

In order to clarify and describe the major categories of the those interviewed for this study, and the terms applied to their fields of expertise, the following definitions are offered:

Asian business leaders--business people with a heritage from an Asian country, now living in the United States traveling frequently to Pacific Rim countries to conduct business. (For this study, people for interviews were selected primarily from the members of the Asian American Manufacturers Association.)

American managers--people who work for or operate their own American multinational companies. These people are involved in decision-making capacities and are expected to represent their companies overseas.

Multinational corporations (MNCs)--any corporation with an international division, ranging from the size of Hewlett-Packard Company and Revlon to several start-up, but successful companies.

Communication--the act of understanding and being understood.

Cross-cultural communications--the act of communication when the sender is from one culture and the message receiver is from another culture.

Cross-cultural training--a variety of methods for learning about the cultures of other countries and how to communicate effectively in them. As described in this paper, training attempts to lower barriers to communication and to impart what an individual outside of a culture must do and understand to improve his or her communications within that culture.

CHAPTER IV

BUSINESS COMMUNICATIONS IN CHINA AND HONG KONG:

WHAT AMERICAN MANAGERS NEED TO KNOW

The central questions of this study focus on the perceived significance of interpersonal cross-cultural communication skills as a form of international public relations. What is the perception of Asian business leaders regarding the current level of American business managers' communication skills for work within Asian markets?

In the past, the lack of knowledge and effective business communications in the Pacific Rim countries by American managers have often created costly international blunders. Perhaps as the 1990s move into the "Pacific Century" the reasons why American corporations need to know more about international public relations and business communications will increase their sense of urgency to learn. Asians may grow weary of American business blunders and look to other markets to meet the needs of over a billion customers. Some Asian business leaders are already leaning in that direction from the indications of this study. Two of the major points and

predictions regarding the United States, China and Hong Kong during the 1990s stated previously in this paper spotlight the significance of Asia to American managers. They highlight the "bottom-line" financial business reasons to pay attention to what have often been considered in the past as the "soft issues" of effective public relations and effective communication skills.

In past decades many American managers, as evidence indicates from the literature, either believed they did not need to know more about the overseas country where they were assigned to increase business, they did not have time to pursue instruction due to the demands of meeting the quarterly profit quotas, or they are not aware that cross-cultural orientation is offered in a convenient and easily accessible manner.

Although there have been a few American managers and business leaders during the last decade who have taken the time and made the effort to learn more about the culture and the language of the countries where they want to do business, this has largely been done on a self-initiated, self-taught basis. While many business people in this country are not aware of the basic cultural differences and the most elementary greetings in the country where their companies plan to develop a marketing/public relations program and attract customers

for their products, there is evidence in this study of a growing interest.

Perceptions of the Players in the International Game

One of the major, as well as unique, players in this international business future between the United States, Hong Kong and China is an organization located on the "east side" of the Pacific Rim in California. The members of the Asian American Manufacturers Association (AAMA) are recognized in both arenas for their network that extends across the Pacific. (A detailed description of AAMA and additional information on American interviewees are included in "Sample Groups," Chapter III, Methods and Procedures.)

American business leaders and MNC managers who conduct a significant amount (50 to 75 percent) of their business activities and business communications between both sides of the Pacific were chosen as interviewees for this study. The business leaders for both groups, their titles, organizations and year interviewed are listed as follows:

American Business Communicators

Mark Chandler, marketing and business coordinator, the Mayor's Office of Housing and Economic Development, (MOHED), San Francisco, CA; 1987.

James Dunlap, attorney at law and director of the Hong Kong Office, Graham and James; 1989.

Robert Kline, vice president, Revlon, Pacific Rim Region, based in Guam; 1986.

William Krist, vice president, International Trade, American Electronics Association, Washington, D.C. Office; 1988 and follow-up telephone interview in 1990.

David Perro, analyst, Software Division, Pacific Rim Region, Dataquest, San Jose, CA, 1988.

Atiq Raza, vice president, NextGeneration, San Jose, CA; former vice president, VLSI, San Jose, 1988.

Andre Rude, director, International Personnel, Hewlett-Packard Company, Cupertino, CA; 1986 and 1987.

George Scalise, president and chief executive officer, Maxtor Corporation, Santa Clara, CA; 1987.

Ralph Thomson, president, International Business Catalysts, (IBC) Palo Alto, CA; 1987 and follow-up telephone interviews in 1989, 1990.

Steve Weiner, director, Center for International Trade and Development (CITD), San Jose, CA, 1987 and 1988.

Asian Business Communicators

John Chan, chairman, Asian American Manufacturers Association and president, Dublin Multilayer, Inc., Dublin, CA; 1988 and 1989 with follow-up telephone interview in 1990.

Robert Choa, vice president, ECAD Inc., Santa Clara, CA; 1986.

John Chua, intercontinental sales and marketing manager for personal, computational and peripheral products, Hewlett-Packard Company, Cupertino, CA; 1986.

Wai-chung Chuk, president, DoGAIN, Inc., Santa Clara, CA; 1986.

Nelson Dong, partner, Cooley Godward Castro Huddleson and Tatum, San Francisco, CA; and general counsel, AAMA; 1988, 1989.

Landy Eng, chairman, Asian Business League, San Francisco, CA; 1987.

Kenneth Fong, president, Clontech Laboratories, Inc., Santa Clara, CA; member, Board of Directors, AAMA; 1989.

David Lam, chairman and chief executive officer, Expert Edge, Palo Alto, CA; former chairman and CEO, Link Technologies and vice president of Wyse Technologies; president, AAMA; 1988 and 1989.

Steve Lau, president, Eastquest International, Sunnyvale, CA; 1988 and 1989.

Jonathan Liu, president, American Computer Products, Sunnyvale, CA; 1986.

Comparing Perceptions of the Sample Groups

An examination of the perceptions of the two groups of business people provides a means of exploring the questions raised by the issues of this thesis.

1. Attempting to gain information and compare perceptions of Asian business leaders and American managers regarding the current level of communication effectiveness by American managers.

2. Gaining an understanding of how interpersonal business communications in the cross-cultural environments of international business may be affected by cultural differences.

3. Gaining a perspective on how the cross-cultural communications may affect international business communications, and ultimately the public relations efforts of American MNC's, particularly in China and Hong Kong.

4. Focusing on the significance of interpersonal relationships in the field of international public relations and the role of American managers in American MNCs as "channels of communication" while representing their companies in Asia.

5. Gaining an understanding of the opportunities and most effective methods for American MNCs and their managers to improve communications, conduct public relations efforts, market their products and promote their companies in Asia.

It seems apparent from the review of the literature that the leaders in American multinational corporations have a number of incentives in the international trade game to communicate as effectively as possible with the business leaders in Asia.

For this study the views of 20 experts in international business communications were sought in personal interviews and compared--10 American business leaders and 10 Asian business leaders. As noted in the previous methods chapter, the other interviews were conducted with experts to gain background information in the Pacific Rim countries, cross-cultural training and in international trade.

Quotations from the interviews are offered to illustrate the responses in as many incidences as possible. However, an important part of the Asian culture is the aspect of "saving face" for others as well

as self. The open criticism of others is viewed as an embarrassment to all, and one of the primary elements of communication to be avoided to ensure greater harmony.

As Wai-chung Chuk, president of DoGAIN, stated, "people in mainland China do not criticize others in public or in meetings. Only in private can you hear criticisms about the United States. He referred to the Asian concept of "saving face" for self and others as a basis for this remark. Therefore, it was necessary for the author of this study to assure some Asian business leaders that if they preferred, their answers would not identify them by name.

For the study groups, questions in five areas were considered universal and translatable. Ratings were given of "Strongly Agree," "Generally Agree," "Undecided," "Disagree," and "Strongly Disagree." The categories include perceptions of: current communication effectiveness, areas for potential improvements to communications, the differences and similarities of public relations/marketing in the United States and Asia, and perceptions of the potential benefits of training to increase effectiveness in communications. Adapted from the study's major five areas of questions, the following statements were posed to the interviewees, who responded

by answering using one of the five ratings, strongly agree to strongly disagree.

This study revealed a decidedly stronger perception from Asian business leaders regarding the gap in knowledge and skills by American managers to conduct effective business communications in an Asian cultural environment. While Americans acknowledged the gap, they did not indicate a perception of urgency regarding learning how to improve business communications.

One of the main attributes that Asians mentioned most often that they would like to see American adopt is patience. The Asians acknowledged that business does take longer in China, but indicated that shows of impatience on the part of American business people do not expedite procedures. The majority of the American interviewees indicated that they would prefer for Asians to adopt a faster pace in business arrangements and generally deal at a faster pace. Respondents in both groups mentioned Hong Kong as a current alternative and a gateway to doing business in China. One American stated the view that "long-term had already been too long" to have to wait for business in China. Another American who lives and works throughout the Pacific Rim emphasized the point that a lack of knowledge and communication skills keeps

Americans from closing business contracts and contributes to losing time.

Asians strongly agreed with a need for Americans to understand more about the cultural beliefs in Asia before doing business. Attempting to impose Western forms of communications, methods of business and ways of handling contracts have all interfered with positive relationships between the two groups. Again, an American who had actually lived in the Pacific Rim, commented that there are a number of seemingly small ways for Americans to unknowingly offend their Asian business partners because of not knowing the culture.

Surprisingly, the responses to the statement regarding the compatibility of approaches to public relations in the United States and in China revealed that there are virtually no similarities between the two cultures in the area of mass communications. It was the unanimous response of the members of the Asian study group that the practice of public relations, as it is known in the United States, does not exist in China. They emphasized repeatedly that "connections" are everything in China. Americans indicated that they had been most successful in attempts to promote their companies and products by working within frameworks which require connections--through joint ventures, strategic

partnerships and trying to know more people by working with the Chinese business people and government leaders. Repeatedly, when the interviewees were questioned about other sources of mass media and public relations tools, such as newspapers and broadcast promotional campaigns, the emphasis was placed on the importance of interpersonal relationships in business communications. One of the Asian interviews stressed that, "this personal approach is considered very much a part of public relations. Americans must understand the culture and the customs, if not the protocols. It is the way Asians do business as opposed to the way in the United States."

Although both groups agreed there is a need for American MNCs to offer cross-cultural training for their managers, there was a difference in perceptions regarding the importance and immediate need for the training. Both groups agreed that training would be beneficial, but the urgency of need for Americans to know more about Asian cultures was not expressed by most of the Americans. One American made a time and cost-saving strong argument for the need to expedite training for managers before they go to Asia for business. He believes that "you can lose six months to a year of progress in an Asian market by trying hit or miss efforts on your own."

For this study, statements posed to the interviewees for responses of level of agreement are presented below.

1. The current level of effectiveness of business communications by American business leaders involved in Asia is appropriate.

As might be predicted, the Asian business leaders felt more strongly than the American managers that the level of communication is not appropriate. While nine of the ten Asians strongly disagree, six of the ten Americans felt their communication level was not high enough. Robert Chao, vice president of ECAD, believes that, "there is no communication from Americans to Asians." He felt from his years of business experience in the United States and the Pacific Rim, that Americans were not making any effort to understand the cultural differences and how to communicate effectively.

Another Asian business leader who strongly disagreed with this statement was John Chua, Intercontinental Sales and Marketing Manager at Hewlett-Packard at the time of a personal interview in 1986 in his office. Basing his remarks on 20 years of experience in both the United States and the Pacific Rim, Chua compared the cross-cultural traits of Americans and Asians.

"Asians are generally quieter in business meetings. I believe that Americans should not try to dominate

meetings and contracts so much. They want to show their sense of power at all business gatherings. Their physical size alone is often intimidating to Asians. Dominating a meeting can go across very negatively."

All Asians questioned considered the gap in effective communications a serious problem for international business. Asian leaders repeatedly stressed the importance of good business communications due to the importance of "connections, who you know and how you get along with them." John Chan, chairman of AAMA and president of Dublin Multilayer, believes that the establishment and positive reinforcement of connections in Asia is the only way to get business done in China and Hong Kong. He emphasized that "you have to already know the people who can help you to start the wheels turning or you have to know someone who is willing to introduce you. You have to know how to communicate. You have to have contacts."

George Scalise, president and chief executive officer of Maxtor Corporation, stated that "you have a better chance with negotiations if you understand the cultures and how to communicate in them. You need to understand their mindset, their motivations and how they function." Noting a potential difficulty in communications between Asians and Americans, Scalise said

"Americans tend to be more direct and less sensitive to being offended on any issue. The Japanese, for instance, are sensitive and sometimes it's hard to know what to say or how to say it."

Emphasizing the differences in communicating with the various cultures within the Pacific Rim, Chuk of DoGAIN commented that "Americans don't always understand the correct approach to take in business communications within different countries. It's sometimes best to use a hard sell. Don't be soft in China. Tell them a lot of good things about your company. It has to do with their image of you that you're the best for them to do business with.

"In Japan it doesn't quite work that way. Japan needs an approach of half hard and half soft. They place a great deal of emphasis on the good of the group and the group's productivity. But, there is a saying that 'the Japanese are only convinced by a conqueror.' They are used to a leader. Without the group, they can't live.

"In Hong Kong, it's almost like being in America. They understand English, and they have money. It's a place of meeting together for the East and West approaches."

2. There are at least a few areas of improvements in communications that I believe are necessary.

The comments from Asian business leaders responding to this statement, as well as a few of the American managers, almost always included references to the concept of "saving face" in Asia, the necessity of patience for doing business there, the need to take the time to develop trust and friendships before attempting business negotiations and the benefits of knowing how to conduct them in Asia.

Virtually all of the Asian business leaders felt that American managers need to gain more patience while doing business in China. A generally supported statement among Asians: it is true that business takes longer in China and Americans need to know that in advance. Decisions are made by consensus and group harmony. Attempting to rush through negotiations and promote products without forming a network first usually results in "disaster" for the American manager and his corporation.

Understanding the idea of harmony, the differences in philosophies and religions as to how people approach business and all aspects of life was stressed by Chuk of DoGAIN. "There are some major differences in thinking that should be understood. Western people generally

believe that they are alone, but they also believe that they can have a one-on-one relationship with God. Before every meal and before going to bed they are talking with God.

"Asian cultures have Confucianism. We don't have an outside God. We have the God inside us. We work on how to make the God within us in harmony with others and the cosmos." He added that "it is important to understand the values of a society, the social customs, the country's history, geography and how the people there view Americans."

Another observation by Asians is that, "Americans don't want to take the time to get to know their business partners as friends." "The friendship aspect of business in China is what trust and all business deals are based on," according to Asian business leaders almost in unison. One Asian company president expressed the friendship value: "Generally, in Asia human relations need to be first, then business relations."

In contrast to the overall question, only 50 percent of the American managers felt they were weak in a few areas. In some cases, the Americans "generally disagreed" with this statement, but not because they lacked insight and insisted on the "John Wayne-shoot from the hip" approach to business communications. This approach by

American managers of shooting first and asking questions later is described by researchers in the literature as an inappropriate "Old West style of bargaining overseas" influenced by a frontier past (Graham and Herberger, 1983, p. 160).

Some of the American business people interviewed believed that their communication skills were probably higher than the average American business person. James Dunlap, an attorney formerly in San Francisco and now located as director of the Graham and James office in Hong Kong, speaks Mandarin fluently and had lived in both Hong Kong and China prior to his current assignment. Dunlap said that he has made learning about the Asian culture an important goal in his life.

"When I was in school, I would join organizations with a large Asian population and socialize with them. We became friends, and they would usually answer my questions about their culture, as well as help me learn the language. When people know you are interested in their culture and trying to speak their language it makes all the difference. They may laugh at your mispronounced words at first, but if you laugh with them and take it in stride, as part of the learning process, you will make the friendships necessary for business."

Ralph Thomson, president of IBC, said he makes it a practice to read about the other country and to learn "at least 15 phrases in the other country's language, even if I do it on the plane. I like to be able to create an atmosphere of interest in the people, not just the business."

In two of the responses from the American managers, there were still detectable signs of the U.S. ethnocentrism theme maintained during the last 30 years. For example, one response was "they want the technology we have and they will just have to make the whole process easier for us. I don't have time to learn Chinese."

There is also evidence of several American managers feeling exasperated and impatient with the political situation in China and the emphasis on the word "long" in long-term business efforts required in Asia. One American company president stated "a lot of us feel that the long-term potential of China has already taken too long." Another American manager, William Krist, vice president, International Trade, American Electronics Association said "we have put the whole Asian issue on the back burner for now. We don't know what to expect from them."

The approach of ignoring Asia or not wanting to learn how to be effective in that market, can be costly, according to one of the American managers, Robert Kline,

vice president, Revlon, Pacific Rim Region. "We go there with the idea that other people are somehow lesser than we are. We end up embarrassed and not closing business contracts. You can easily lose six months or a year of business in trying to wing it and not knowing how to communicate."

Another Asian business leader commented, "I don't think Americans know how to do business in Asia. Hong Kong can tend to act as a buffer for them in the meantime. Hong Kong is used to dealing with China and the U.S."

3. It is important for managers representing MNC's to know more about Asian culture before doing business there.

All Asians interviewed "strongly agree" and expressed their views that Americans need to take time to become familiar with the values, customs and culture of the Asian people. "They need to think and choose an Oriental way of presenting themselves, their companies and their products," stated an Asian leader. "In China people work the hardest. There is opposition and they are very family oriented. That means their trust is smaller," stated Wai-chung Chuk of DoGAIN Corporation.

However, stressed other Asian business leaders, once the trust and friendship are established, the Chinese

people prefer to close the business agreements with only a handshake and not include lawyers and written contracts. Contrastingly, the general counsel for AAMA stated, "Americans want to make contracts too long. There is no such thing as a breach of contract in the Far East. Asians don't sue one another."

Another response from an Asian business leader regarding culture was frankly stated: "I think it is very important for U.S. persons to know the basic cultural values in Asia. Americans are generally spoiled. They want to do business fast. They think only in short terms, and they fail to understand why others need to plan for 10 years into the future."

"A viewpoint for the long-term and patience," were also emphasized by Landy Eng, chairman of the Asian Business League of San Francisco. He believes it would be helpful for Americans to meet with other U.S. managers who have worked in Asia and learn from them--"find out how the cultural differences affected them and how their experiences in communicating overseas can help you communicate better."

As further emphasis of the need for patience, an Asian vice president for a technology company, Chao of ECAD, described his own experience negotiating a business contract in Korea:

Another technology company in Korea, Lucky Gold Star, showed interest in our company's software. We sent our salesman over there and they went through the formality of trying out our products. Finally, after two price negotiations, I went. The president in Korea says \$120,000, and I say \$200,000.

He never looked up during the negotiations. He went over papers, had phone calls. He tried to humiliate me. But I know this negotiating strategy--and part of it is that I kept my voice low while telling him that our product is better. It lasted for two hours, but I achieved the desired price. You don't make concessions in the same meeting! In the U.S. people will back off in one meeting. In the Orient, if you don't have patience, you lose out.

Skills in negotiating and knowing how to deal with another's culture are two of the reasons that Japanese have been so successful abroad, according to Dr. Ramon Hawley Myers, curator-scholar of the East Asian Collection and senior fellow in the Hoover Institution at Stanford, California. "The Japanese make a huge initial investment. They pre-research before they do anything. American multinational corporations don't generally do this although information about the other trading partner is extremely important to get. The language and cultural practices are so different."

Steve Weiner, director of the Center for International Trade and Development in San Jose, also emphasized the significance of understanding the other culture. Weiner, who was the manager of a Tokyo office

prior to his current position, commented on the seemingly small ways American managers can offend Japanese business hosts. "Japanese use their chop sticks to indicate pleasure or displeasure with a meal. The angle and how they are placed on the dish may tell your host that you did not enjoy his hospitality."

Dr. Myers acknowledges that many MNCs can and do hire nationals, who already know the language and culture, within the country they choose to work. "However, it is much easier to have your own people who have the knowledge of the company and the host country. You know you can trust them."

This opinion is shared by Scalise, who worked in international operations and marketing at AMD, Fairchild Semiconductor, and Motorola before his current position at Maxtor. "It is not necessarily always advisable to have an interpreter in your business negotiations. It is always to your advantage if you can learn a language."

4. The types of public relations and marketing efforts used in the United States, such as mass media campaigns, advertising, and polished product promotions will work equally well in Asia.

The Asian business leaders strongly disagreed with this statement. According to these experts, public relations as known in the United States does not exist in

Asia. A company president emphasized, "on the whole, people will not even know what you are talking about. Having connections is everything in Asia."

In answering the question during a personal interview of "What do you consider the most important public relations or marketing tool for American MNCs in Pacific Rim countries?" Landy Eng, chairman of the Asian Business League, stated that "sending well trained people would be the best marketing tool. American business people need to know the cultural aspects and the language of the country where they are going to do business."

Most American managers, seven of the ten, either "strongly agreed" or "generally agreed" with this issue. The American managers with the most experience in the Pacific Rim, such as Revlon's Robert Kline, who lives in Guam and travels continuously throughout the Pacific Rim to meet with his managers, were the ones who emphasized the differences in marketing and public relations to a greater extent.

Thomson, who was instrumental in founding the American Electronics Association's office with Graham and James in Beijing, states that sales offices are limited in China. He notes that the "opportunities for Americans lie with setting up groups, such as joint ventures and

strategic alliances. China requires on-site partners. There is a lot of going through intermediaries."

Steve Lau, president of Eastquest, stressed, "the key is who you know. This is much bigger than how the U.S. considers it. In the PRC ads are not a common occurrence. The mass communications systems are fragmented. The infrastructure is not viable to sell with ads and promotions. To conclude successful dealings, you have to have the right contacts."

"Public relations are important, but its a public rapport. Communications have to be effective on local standards not U.S. standards. The approach Americans make has to be modified to reflect this difference," emphasized Nelson Dong, a partner with Cooley Godward, Castro Huddleson and Tatum, and one of the founders of AAMA. He further stressed that, "this personal approach is considered very much a part of public relations." Americans must understand the culture and the customs, if not the protocols. It is the way Asians do business as opposed to the way in the United States."

Chuk of DoGAIN pointed out that in the United States the "media is the most important thing. Television and newspapers affect people's thinking. But this is not true in Asian countries, such as Taiwan, mainland China, Singapore and the Philippines. Relationships with

people, especially government officials, are the important means to marketing your products and your company."

Kline, an American manager, expressed the importance of knowing what to do before you arrive. "There is a philosophical difference in business outlooks, and you must be aware of what these people need. If you are not confident in how you're going about it, it will ruin your attempts. Americans have a lack of awareness and knowledge about doing business here. "You cannot take Madison Avenue with you to Asia. You have to meet them on their grounds."

This point corresponds with the report on market research in China by Fox (1987). She describes the situation this way:

"Market research is still embryonic in mainland China, but the problems are full-grown.... Getting in is not easy.... You have to have ties...." (p. S12).

An example of gaining inside knowledge on market research and creating stronger connections is given by the Japanese approach to doing business in the United States. Dr. Myers of the Hoover Institution noted in a personal interview in 1986 that the Japanese have made a point to gain the advantage of market analysis by sending their people to spend two to three years to live in

another culture and study it and what the market needs are.

To discover a potential way for American managers to expedite their communication skills in Asia, another research question involved the concept of training.

5. From my experience, I think it would be helpful if American MNC's offer their managers cross-cultural training programs as a means to improve business communications, public relations/marketing efforts and, potentially, the corporate image.

Of the experts questioned on this matter, eight out of ten Asians strongly agreed, and two generally agreed. For the Americans, five strongly agreed, but three generally agreed, indicating no real significant difference in the views and perceptions of both groups that training would be beneficial. The difference in the perceptions focused on the urgency of need for Americans to know more about Asian cultures. A minority of Americans, including Kline of Revlon, made a time-saving and cost-effective argument for the benefit of cross-cultural training:

Americans can put everyone in an uproar by not knowing what to do. We have to adjust to their way or not work in that marketplace. When we first go overseas, we don't know what we're doing, and need some sort of consulting firm, or some type of program to know. You can lose six months to a year of progress in an Asian market in trying hit or miss efforts on your own.

Scalise indicated that he took the initiative to learn as much as he could before attempting business in Asia. "You don't get all the information and understanding in 48 hours. I spent a lot of time with a professor who lived in Japan and teaches business. I asked questions for hours, and I read a lot to build a resource of knowledge. It's a very different culture and different way of thinking."

Scalise added that he took every opportunity to talk with leaders in the Asian countries. "I've gone there a hundred times. It takes a lot of time to understand the culture. You have to work at it. Americans need more exposure to the issues, to sensitivities, and the concepts of other cultures."

In addition to culture and language knowledge, Americans could benefit from a form of training in listening and sensitivity training, according to George P. Koo, managing Director of International Strategic Alliances. "I think the greatest challenge for Americans in communicating with Asians is the willingness to listen and understand what the other side's point of view. Most Americans are not very good at putting themselves in the others' place and seeing another point. They need to talk less and listen more. It has to do with being sensitive to others and their culture."

Koo also noted that "Americans seem to feel more secure if they are talking. They have difficulty dealing with pauses in conversation and understanding the nuances of silences. In Asia, pauses are natural and necessary."

An American manager, Raza, vice president of NextGeneration, and a former vice president of operations at VLSI, has learned the value of silence in his business communications. Although his schedule is full during overseas trips, sometimes requiring visits to European offices as well as the Pacific Rim, he stated that he learned to avoid showing impatience. "There may be times when you feel so exasperated and want to speed things up, or think things should be done quicker or in a different way. I came very close once to losing my temper and ruining an important business relationship. I have been very grateful that I stayed quiet and let that moment pass."

Asian business leaders continued to note the importance placed on connections and the need for positive interpersonal relationships to expedite business in China and Hong Kong. "If you don't know the culture, and you don't know the language, the process of conducting business in Asia will be greatly slowed for you," added Dong.

Dr. Myers of the Hoover Institution further emphasizes that "we are abysmally poor in foreign languages. Of course, English is a working tool in many other countries, but we've got to be more language conscious if we are to survive in this world and do business in other places. We depend on people there too much. It's a lot easier if you can work with your own people in other cultural environments. We're simply not doing well abroad."

Further stressing the need for understanding other cultures as a prerequisite for marketing and corporate success, Dr. Myers added:

American companies have to communicate to their managers through internal communications that they must master the complexities of dealing in another culture in another environment.

Based on the interviewees' suggestions and on the discussions with business managers seeking joint ventures and other international partnerships by participating in seminars, such as AEA's Strategic Alliance Symposiums, this author suggests that the following information would be helpful to American MNCs desiring business opportunities in Asia. Although this list is a small representation of the sources of information, they are suggested as some of the more beneficial sources for MNCs specifically interested in the Pacific Rim. And, in

order for MNCs to fully participate in a joint venture, strategic alliance or other form of partnership, American managers will need to gain maximum communication skills for the country of the venture. As an additional information source, some of the more prominent cross-cultural training organizations are outlined in the chapter following this list.

Linking the United States with the Pacific Rim:
Opportunities for American Companies in Asian Cultures

There are a number of business partnership opportunities offered through private organizations and government agencies, which make it part of their primary function to assist American business people in marketing their products and forming business alliances. An overview is offered below of some of these information sources and organizations which make it part of their business to work toward increasing business between the companies in American and the companies in Asia.

Asian American Manufacturers Association

AAMA is a non-profit organization of corporations and individuals, which promotes the growth and success of U.S. high-technology manufacturing and related enterprises throughout the Pacific Rim. AAMA considers

one of its major objectives "to foster and develop the human bridge across the Pacific Rim." According to the chairman, John Chan, the organization defines itself as creating the "ideal networking environment for individuals and corporations in high technology manufacturing who maintain close ties to the flourishing and prosperous Pacific Rim.

"AAMA members, who are of Asian ancestry, serve as a special human bridge across the Pacific because of their cultural, family and business ties. These ties strengthen and broaden the U.S. presence in the technology and manufacturing networks in the Far East."

Mayor's Office of Housing and Economic Development

According to Mark Chandler, marketing and business coordinator for the Mayor's Office of Housing and Economic Development (MOHED), this agency is designed to "increase business opportunities within the city of San Francisco, but also assists small and medium sized businesses with forming alliances to increase opportunities with the Pacific Rim." MOHED boasts that the "People's Republic of China has chosen San Francisco for one of only three U.S. consulates and as headquarters of its national airline and shipping lines. Both Shanghai and Guangdong maintain trade offices here."

Since the largest Asian community outside of Asia itself lives in San Francisco, the city's experience and ties with the Pacific Rim countries are particularly well established.

United States Department of Commerce

The U.S. Department of Commerce (DOC), headquartered in Washington, DC, has offices in every state and many major cities throughout the country. Included in the sphere of DOC is the International Trade Administration (ITA), U.S. and Foreign Commercial Service. The ITA, which is the largest part of DOC, oversees the country desks for each country represented in the commerce department. ITA generates regularly published reports on topics such as "Export Assistance for U.S. Companies," "International Marketing Research," and "Overseas Trade Missions and Trade Fairs."

American business people seeking country-specific information can contact the country desk officers for each particular country. The country desk officers can offer information on trade between that country and the United States, the overall growth rate percentage for their country and a variety of types of information about the business climate.

According to Jeffrey Lee, country desk officer for China and Hong Kong during 1986 through early 1989, the office did not have official projections for the growth in trade between the United States and China, but he estimated during a personal interview in 1987 and subsequent telephone interviews last year, "it's likely that trade will grow, on a conservative average, between 10 to 30 percent over the next few years. China ranks as the fourth largest Asian trading partner with the United States, after Japan, Korea, and Taiwan."

Desk officers, such as Lee and now Gallant, can supply the American business manager with a number of publications, such as "Doing Business with China," and they can assist managers with locating the most convenient international trade information sources near their companies.

Another section of the DOC is the Office of Productivity, Technology and Innovation (OPTI), which works closely with the high technology companies in Silicon Valley and other parts of the nation to increase trade and business relationships with other countries.

Gerry Underwood, director of International Programs in OPTI, also heads the International Partnerships for the Commercialization of Technology (INPACT) program. "INPACT is designed to increase business with companies

here and in other parts of the world," stated Underwood during a personal interview in 1987 and follow-up telephone conversations in 1989. "The programs are set up as a 50 to 50 agreement between companies. The agreement is designed to be a joint venture, or new legal entity, not an alliance. The companies are screened by the organization, usually part of the country's government," according to Underwood.

The participating companies should be complimentary. Underwood stated that the companies should be in the "\$60-100 million range to be considered the 'right' maturity. The INPACT Operations Office, located in the host nation, works to ensure that the venture takes on a two-way approach. INPACT assumes a symmetry and there is constant analysis to assure this," added the director.

Strategic Alliances

One of the growing ways for American companies to increase their opportunities for business within and between itself and another country is to form a strategic alliance with a corporation there. Information about strategic alliances and how to become involved can be obtained in a number of sources, including the American Electronics Association (AEA), AAMA, and the U.S. Department of Commerce.

A major advocate for strategic alliances, Bruce Merrifield, DOC's Assistant Secretary for OPTI, believes that American "strategic partnerships with foreign countries can be a powerful way to help expand the global economy. Further, it's a way for U.S. companies to gain access to foreign markets and foreign technology."

The keynote speaker for the American Electronics Association (AEA) Strategic Alliance Symposium during September, 1987, at Cambridge, Massachusetts, Merrifield emphasized the present and potential importance of China to the United States and in world trade. As coordinator of the symposium, the author of this study was able to hear first-hand Merrifield's views on international trade opportunities for American business people and to discuss these views with business people participating in the conference.

Merrifield, who emphasized the potential trade with China, stated "There are a billion people in China, with 20,000 of them studying to become engineers. They plan to be big globally soon. Currently China is the world's largest exporter of wheat. China will be at the leading edge of a lot of things by the end of this century."

Merrifield used the example of DOC's pilot program in Israel for creating new opportunities in international trade through joint ventures and strategic alliances.

The INPACT program has created several hundred "new firms." "In our U.S. office in India, we have received more than 800 proposals from companies eager to form partnerships with U.S. companies." He believes that "the U.S.-foreign alliance strategy may be one of the best ways to combat the forces of change that are restructuring the U.S. and world economies...."

Trade Missions

When American managers participate in trade missions to countries in the Pacific Rim, they are enhancing their opportunities to gain interpersonal relationships with the government leaders and decision makers essential for conducting business in those countries. Trade missions usually involve a delegation from the United States visiting several countries, meeting with and socializing with government and business leaders, and indicating interest in joint trading opportunities.

There are a number of organizations and groups which conduct periodic trade missions to Asia, such as the American Electronics Association, AAMA, and delegations from local, state and national governments. American business people interested in participating in a trade mission should contact these groups and the department of commerce.

An example of a productive trade mission was coordinated during 1988 by Malvina Gock-Chan, president of the Chamber of Commerce of Menlo Park and owner of Ms. Gabbies, a Menlo Park business featuring fine Oriental gifts. The three-week mission included visits to Hong Kong, China and Singapore with receptions held in each country.

According to Gock-Chan, the other government officials and business people attending from the Bay Area said they very impressed that "we received such attention in the other countries. I worked very hard to coordinate visits and contacts, but it was easier because of my background, my ability to speak the language, my family's business there and my uncle's assistance in requesting people to meet with us."

In answering questions during a personal interview in 1989, Gock-Chan acknowledged that American business people may not have had the same success with the trade mission because they generally would not have had the same connections and interpersonal relationships already established.

Since most American business managers do not have the same backgrounds and knowledge, or "shared life experiences," of the culture as Malvina Gock-Chan, it becomes a greater priority to learn how to communicate

within other cultures. It becomes a greater priority to gain experiences through cross-cultural training.

CHAPTER V

CROSS-CULTURAL TRAINING PROGRAMS:

HOPE FOR INTERNATIONAL BUSINESS COMMUNICATIONS

As emphasized in previous chapters of this study, one way that American MNCs can increase the effectiveness of their international public relations is through their managers' abilities to work as effective communication channels. To achieve this business communications goal, MNCs can offer "taught life experiences" through cross-cultural training.

Cross-cultural training attempts to lower barriers to communication and to impart what an individual outside that culture must understand and must do in order to improve his or her communications. The MNC can improve the effectiveness of its managers by offering this type of orientation program.

As noted in Chapter II, perhaps the major finding of Adler's (1983) study was that "training managers to be sensitive to cultural consideration" was seen as being more important than either locating or selecting competent job candidates. From the perspective of the experts questioned, the "major issue was training--

creating cross-culturally skilled managers--not selection, not finding appropriately skilled managers" (p. 33).

The following information offers an overview of some of the prominent and different types of cross-cultural training organizations and companies currently available in the United States. These organizations are presented as examples of the large population of training possibilities for several reasons. During interviews with the experts in international business, some of the people mentioned the names of the organizations that they had either participated in previously as directors of overseas operations and marketing, or heard about through colleagues' experiences.

Also, the names of several leading organizations were consistently mentioned during the interviews with experts in cross-cultural training. Diane Zeller, executive director during the late 1980s of the Society for Intercultural Education, Training and Research (SIETAR) in Washington, DC, confirmed the prominence of these organizations.

SIETAR is considered by professionals in the training field as the preeminent organization for specialists involved in cross-cultural training. Zeller

emphasized during a personal interview in 1987 that "there are also many other cross-cultural companies throughout the country which could be beneficial to American corporations."

Several of these older and better known organizations and the views of their leaders will be examined in detail. Chosen for this focus are the Business Council for International Understanding (BCIU) in Washington, DC; The Experiment in International Living in Brattleboro, Vermont; and the Monterey Institute of International Studies in Monterey, California.

Examples of several other organizations will be presented in a briefer format to provide a broader perspective of the variety of opportunities.

Business Council for
International Understanding Institute

Located at the American University in the nation's capital, is the oldest and largest institute for gaining skills in international business in the United States. Director Gary E. Lloyd stressed BCIU's views during a personal interview in 1987 that,

A lack of communication skills can create many adjustment problems that adversely affect performance for the businessman sent overseas to represent his company. The cost of relocating an overseas manager and

his or her family is in the tens of thousands of dollars. Adequate training and development of overseas managers, before and after their departure, is an item that few international corporations can afford to neglect.

BCIU offers country-specific information and language training ranging from a three-day overview to a 12-day country studies program. According to Lance J. Descourouez, program assistant, "all of our programs are 'tailored' to meet the specific needs of the corporation and the individual and his or her family relocating overseas to work and live." He describes the programs as incorporating four major elements: intercultural communications with workshops using live role play simulations; area and country studies taught by experts with in-country experience; an in-depth study of the customs, manners and social usages; and the practical aspects of living and doing business in a foreign environment.

"Communication Program for International Business Negotiators" is especially designed for the corporate manager or team of managers preparing to negotiate contracts overseas. The three-day session combines live intercultural communications workshops with live country-specific negotiation sessions. Managers are offered

training in the form of experience by doing, along with information on the successful negotiating techniques that would facilitate the success of a U.S. corporate manager involved in overseas negotiations.

Another example of a BCIU Program is a "Special Six-Day People's Republic of China Program." The session interweaves 12 hours of face-to-face Mandarin language instruction, along with talks and workshops including: "Problems of Adjustment and Performance Overseas," "Adapting to the Thought Patterns of the Chinese Culture" and a workshop in "Communicating with the Chinese." Other sessions include "Doing Business on a Day-to-Day Basis in Beijing," and "The Economy of the PRC; Economic Growth and Future Prospects for Development."

Managers and their spouses are also given immediate, practical instructions and guidance about relocating and living in the country of their relocation, tips on how to move and manage their households in a new city, and opportunities for conversation at lunches and dinners with host-country experts, such as the country officer and commercial and economic officer, Peoples Republic of China in the U.S. Department of State.

The BCIU Institute maintains that its programs offer a cost-effective means for better business communications. According to Lloyd, the failure rate of

the institute's graduates remains below one percent worldwide. The staff follows up on all the graduates overseas every six months to evaluate the effectiveness of their programs through the perceptions of graduates. Lloyd believes that the users get the most effective results from their BCIU training dollars--"better overseas adjustment, better in-country performance."

The Experiment in International Living

The Experiment in International Living, which has served the field of international cultural exchange since 1932, is based in Vermont. The Experiment has mounted cross-cultural training programs for multinational corporations, the Peace Corps, and other organizations. As noted in the literature review and described in the book about the Experiment, Beyond Culture, the organization has developed, designed and published workbooks on a series of exercises for participant role-playing, illustrating cultural assumptions and rationale.

"The Experiment uses a lot of simulations for training," stated Peter Falion, project director of International Development and Training, during a telephone interview in 1990, as a supplement and update to information obtained by this author previously in 1987. He explained their rationale for using simulations:

The purpose is to elicit awareness and information from participants reactions. It makes them think and have a better understanding of how they will respond in another culture. Even though the games are fictitious, the feelings and interactions they evoke are real, and shouldn't be discounted. Our simulations are usually done in groups so there will be a variety of reactions.

Falton believes that the involvement required in the simulations has several immediate benefits for the participants. "They can increase their own power of observation by observing the reactions of others in the group; they gain the ability to observe without judging; they can learn from this experience and transfer this awareness immediately and be more effective interculturally."

Lois Purdam, deputy director for Southeast Asian Programs at the Experiment, emphasized the importance of gaining awareness and sensitivity for the other cultures values through simulations and other training during a telephone interview in 1990. She stressed that all the American managers can get a "bad, cold reception in a company if one manager insults one person from the Asian culture." She explained that "there is a strong value of harmony--'your business is my business. We work together. People are more important than the task.'" Purdam stated that in Asia people get upset about perceived injustices.

There is much more of a community sense than in the United States. She gave the following example to illustrate this.

"In the Philippines a vice president of a bank used a Silicon-Valley-high-pressure style in his office. When a secretary handed in a report, he said loudly 'look at all these errors. I can't believe I get a report like this!' This is the typical, no nonsense impatient, high management style. In Asia this style will quickly get people alienated from you. The rumors go quickly and the whole company will feel a loss of face. They believe that by criticizing that person, you are criticizing me."

Purdam, who recently returned from an assignment in Asia, believes that the benefits of a simulation exercise include a quick method of processing how individuals react in a different environment. "Can you pick up what people were trying to tell you in a cross-cultural interaction?" is one of the lessons for managers. She adds, "We are trying to raise the antennae level of our participants. Listening and watching in other cultures is very important."

Another institute, on the other side of the country, also concentrates on assisting participants to learn quickly.

Monterey Institute of International Education

This well-known institute for language learning and cross-cultural studies is located in Monterey, California. Business people can attend a six-week "total immersion" or an abbreviated version, in another culture and language before going overseas. The institute also has management teams which will go into a business and plan the entire strategic alliance or joint venture with the company executives. Additionally, the institute offers the only master's program in the United States for language interpreters, and this program is accredited by the U.S. Department of State.

Dr. Glen Fisher, professor-diplomat, International Policy Studies at the institute, described a two-part approach to their cross-cultural resource center during a personal interview in 1987: "the first part is an exposure to the cultural differences that are necessary to be familiar with in order to negotiate successfully; the second part includes an in-depth study for general knowledge about international trade and country-specific information."

Dr. Fisher, who also has experience in cross-cultural programs for the U.S. State Department, believes there are several values in training for American managers. "The training can help ease negotiations, it

makes you aware of what you are facing and it helps you pass the test--it's a tool for your own learning and a focus for your direction."

For American managers and business leaders who must understand a culture and have a relatively high level of skills in a second language within a relatively short time frame, Monterey's "Training for Service Abroad," (TSA) courses may be the answer. TSA tutorials enable executives to acquire the language proficiency and cross-cultural business skills necessary for internationally-oriented operations.

TSAs, which are tailored to suit the needs of the individuals enrolled, are taught by instructors with native fluency, in almost any language, interweaving cultural traditions, contemporary issues and cross-cultural management techniques. In addition to the TSAs, Monterey offers "Intensive Summer Language Programs" in 11 languages for a nine-week course taught almost exclusively in the target language. Classes are limited to 15 people and the institute also provides living quarters designed to reinforce the learning.

Another aspect of the Monterey Institute is the extensive offering of skilled translators and interpreters often needed in international business.

Dr. Wilhelm K. Weber, dean of the Graduate Division of Translation and Interpretation, noted during a personal interview in 1987 that a subcategory of interpretation is conference interpretation. "This is highly regarded in almost every country but the United States," stated Weber, who has conducted intensive workshops for the interpreters of the Hong Kong government. "These interpreters are extremely important to marketers. International corporate teleconferences are becoming increasingly common. It's a fact that allowing people to speak in their own language in meetings lessens tensions and improves the outcomes considerably."

Weber also emphasizes the point for American MNC managers, "the more you know and the more experience you can gain before you get in the international arena, the better off you are."

There are numerous organizations throughout the country offering tailored, or customized training for managers in MNCs who want to gain some knowledge of another culture, but may not have the time to invest six to nine weeks. These organizations can serve as excellent resource centers as well as tutors and offer a variety of instructional styles, formats and lengths of training. Some trainers will come into a company to observe and work with managers who need to understand more about

their multicultural workforce in the United States. Others conduct courses within the corporation for executives already given an overseas assignment.

As mentioned previously in this chapter, the Society for Intercultural Education, Training, and Research (SIETAR) can be a valuable aid both as a resource center for training materials and as a reference source for informing a company which training organizations are most conveniently located near it.

SIETAR International, which is affiliated with Georgetown University in Washington, D.C., offers access to a clearinghouse of information in the intercultural field, an international network of members, and a computerized professional data bank of members and their skills for referrals and recruitment.

Additional opportunities for MNCs to obtain professional consultation and assistance with cross-cultural training are outlined below.

Going International

Based in San Francisco with the Copeland Griggs Productions, "Going International" is a film series which is part instructional, part documentary illustrating the how-not-to's and later the how-to's in cross-cultural communications. The films use humor to depict American

businessmen systematically offending the people they want to persuade. Louis Griggs, president, or one of the other producers, gives a follow-up narrative with a question and answer session following the films. The films include "Bridging the Culture Gap," an introduction to the challenges of traveling and living in a foreign culture and "Managing the Overseas Assignment," which portrays communication problems anyone can experience. The films are used by Hewlett-Packard Company and 1,500 other customers in corporations, educational institutions, government agencies and non-profit organizations, according to Griggs.

Cliff Clarke Consulting Group (CCCG)

Formerly known as IRI International, the CCC Group is located in Redwood City, California. This organization was established a decade ago by Cliff Clarke, observed on both the East and West coasts as a "respected leader" in the field of international business communications and negotiations. Clients include Intel, Fujitsu with on-going work in the United States and Japan. This program is specifically designed for business managers.

Clarke and his trainers have made it part of their program to go into companies and give in-depth analysis of the ways they can improve communications and

relationships. The groups is now involved in helping to organize and establish joint ventures and strategic alliances.

TransCultural Services

Directed by Nessa Loewenthal and based in San Francisco, this company specializes in international communication effectiveness with clients such as Raychem, the Bechtel Group, and Levi Strauss. She was the 1986 recipient of SIETAR's Interculturist Award, is featured in the Going International films, and is on the State Department's Overseas School Advisory Council. Loewenthal conducts country-specific training on-site in corporations and encourages companies to include families in the orientations programs as well as the business manager. Loewenthal uses a combination of instruction methods with lectures, films and role playing.

International Orientation Resources

IOR emphasizes a tailored program to suit each client's needs, according to Linda Hamby, program coordinator. Located just outside of Chicago in Northbrook, this organization was founded by Noel Kreicker eleven years ago when she returned from a distressing experience living abroad. Individualized

cross-cultural training, which includes an assessment for selection; language training and worldwide logistics assistance have attracted clients such as Motorola. IOR also stresses the importance of involving the entire family in the orientation process and offers workshops for dual-career assignments and foreign language tutoring for children as well as spouses.

These organizations are representative of the types of programs available for American MNCs to prepare their managers for their work as the main public relations tools in other countries. With the assistance of an organization specializing in cross-cultural and language training and with the information available from sources, such as the U.S. Department of Commerce, American corporations could significantly improve their international public relations and the communication skills of their managers during the decade of the 1990s.

CHAPTER VI

SUMMARY AND CONCLUSIONS

This study reveals that the current level of business communications of American managers in an Asian cross-cultural environment is perceived by Asian business leaders who work with them as a serious and urgent problem in conducting business in Asia. The current level is generally perceived as less than effective and often lacking in knowledge and sensitivity regarding the cultural differences.

Business in Asia is based on interpersonal relationships and the ability to "persuade rather than offend," according to the study group and the review of the literature. Therefore, the loss of business contracts before and during negotiations due to international business blunders during the 1980s becomes more easily understood.

Eliminating the opportunities to repeat blunders in cross-cultural business contexts during the 1990s becomes a greater concern for American MNCs interested in entering or continuing ventures in Asia. This study indicates that immediate attention to the improvement of business communication skills is in order for the decade of the 1990s

and the coming "Pacific Century."

If there is a consensus in an American multinational corporation that public relations is a subset of business, it may be recognized during the 1990s that cross-cultural training is a means to enhance business communications and public relations efforts. Cross-cultural training does serve a number of purposes to improve the effectiveness of managers' communication skills and to improve public relations, particularly in Asian countries.

Some of the communication and public relations premises outlined in the previous sections of this study include:

1. almost all public relations involves persuasion;
2. the most effective mode of persuasion is interpersonal communications;
3. public relations are an important part of conducting business in a cross-cultural context;
4. effective communications across cultural borders involves a "shared field of experience," which can be learned.

In this study the magnitude of the role of American managers and business leaders as one-on-one persuaders for the corporations, and the role of cross-cultural training have been illustrated in both the review of the literature and in this study's perceptions of interviewees.

However, according to the indications of this study, American business leaders generally do not share the Asians' sense of urgency about the need to gain knowledge and skills

for interpersonal communications in the Asian culture.

These conclusions coincide with the views of Hall and Hall (1987) on the need for effective business communications and the challenges of different cultures:

Business depends for its life on information, so anything interfering with the communication process, the way in which people transmit or withhold and control information, can ultimately cripple any transaction. The transmission of business information between different cultures is threatened by different behavioral signals as well as by different languages. This is true in all international business.... First and foremost, it depends on what transpires between people, or personal interactions within power and influence networks (p. xvii-xviii).

Both the study groups and the literature provides a viable argument for the American managers to have the best possible skills in cross-cultural communications. Although American managers may be more comfortable continuing with the "American style" of business communications, this style is not viewed as a positive asset in Asian countries.

The American negotiating style, which is often a more direct, shoot-from-the-hip negotiating approach that "gets to the point," often ignores the expected norms of business socializing within cultures where people do business only with others whom they have established trusted friendships. And, in terms of distribution of message and type of message sent for public relations and marketing efforts conducted in the United States--in print and broadcast media with appeal to an American audience--this study reveals that those U.S.

approaches have virtually no validity in the Asian culture. In fact, some of the accepted norms in American promotional efforts may be quite offensive to the Asian consumer, such as the use of sex appeal to promote a product or the apparent boasting about a company.

One conclusion indicated from this research is that the decision by American managers to be unwilling to learn how to adapt to the Asian culture, is a decision not to do business with Asians at all. Americans should remember that they are the foreigners in Asia and are expected to abide by the customs and culture of that country.

The observation that U.S. business people have a resistance to learning another's culture is also upheld by Hall (1983) regarding Americans and Europeans in Japan:

Because everything changes with each new situation, the highly situational side of Japanese culture presents many puzzles to the foreigner. Everything is different in a new situation. If there is one piece of advice I would give Europeans visiting Japan, it would be to master a few basic situations and stick to those, and when a new one presents itself, get some help from a skilled intermediary. This is difficult for Americans and North Europeans, because none of us seems to accept the need to be coached (p. 195).

The current study reveals a surprisingly stronger "need to be coached" and a stronger significance on the value of interpersonal communication skills for the American manager than this author previously assumed. If there is complete consensus among Asian business experts that "connections are everything" in the Asian business environment, what level of

business communication skills will be expected of American managers? The indicated answer from the research is "much higher than is currently obvious."

Some of the major advantages of providing cross-cultural training for managers and business leaders include:

- o The sense of being prepared and confident it gives the people who must communicate in unfamiliar environments. Competent managers are educated in international business communications to perform successfully before they enter the actual playing field.

- o The training helps promote an atmosphere for inducing positive public opinion. Knowing how to communicate in another cultures gives a manager greater respect and dignity, or "face," in that culture. It helps create the perceptions that the manager can be regarded as trustworthy, expert or authoritative, all of which are considered essential toward persuasion.

As indicated in the literature review, in Chapter V, on cross-cultural training, and in this chapter under the author's suggestions for a training model, there are a number of potential selections--different types of cross-cultural training programs, approaches in instruction to customize for individual companies and individual managers, and training methods--for the most effective results. The programs have diversity in a number of areas:

1. approaches to the way people learn, such as participating in role playing and simulations, to gain better understanding of the new culture and how current perceptions may affect communication responses in other cultures; and methods for second language learning;
2. approaches to taught experiences, such as gaining negotiation skills by practicing with

people from other countries in a "rehearsal" setting;

3. approaches to instruction, such as lectures by specialists in different countries, films and other audiovisuals, going on "field trips" to that country's ethnic restaurants and practicing language skills;

4. approaches in class format, such as type of content, including country specific information regarding history, politics, geography, philosophy and national "attitudes" toward Americans; cultural and social customs, as well as basic coping skills for shopping and transportation; length of course and timeframe for class--before departure, after arrival in the host country, or a combination of times and places.

Trainers in prominent U.S. organizations use several key words--"customize," "role playing," "variety"--to describe the approach they use for increasing international business communication skills. Several organizations attempt to "customize," or to tailor the program they offer specifically to meet the clients' needs regarding level of training and information required to expedite communication skills.

"Role playing," or the learning method which involves individuals acting out a real life situation and practicing to increase communication skills in a classroom environment, is described by trainers as an effective for most clients. Having the opportunity to practice culturally-oriented negotiating skills, for example, may increase the managers' knowledge as well as sense of confidence before going onto the real "stage" overseas with much more at stake.

Most of the cross-cultural trainers interviewed for this study also emphasize the word "variety" in their orientation programs. Variety, in the types of information offered and how it is presented, is emphasized as both a means to tailor the program to meet the clients' needs and as a means to stimulate and expedite the learning process.

From information gained through the interviews--with experts in the fields of cross-cultural training, as well as experts in international business communications and trade--and the literature review on this topic, this author posits that an "ideal cross-cultural training model" could be created for managers to reach optimum communication skills.

This author contends that the American MNCs which acknowledge a business planning strategy for increasing and improving their roles as international trading partners will also need to acknowledge the significance of the role of international public relations and effective business communications as part of that strategy. To summarize the concepts which were outlined and explored previously in this study, the author posits there is evidence that:

1. Implementing plans for international public relations and business communications requires a different approach designed for maximum effectiveness in a specific country to compliment a specific culture. A failure to acknowledge this mass communications concept has resulted in the numerous international business blunders and high financial losses of American MNCs during the 1980s.
2. American MNCs generally practice some form of international business communications, regardless

of the level of effectiveness or long-term strategic planning involved. One of the trends during the last few years in initial planning for international business was to combine the efforts of the public relations and marketing departments.

3. International public relations includes interpersonal business communications as a public relations function. In Asian countries, such as China, business is based on connections and friendships, thereby focusing on interpersonal communications as the primary public relations tool and the MNC managers as the main channels of business communications.

4. The differences in the cultures of Western countries and Asian countries create many challenges for effective international business communications--both for financial investments and for the long-term relationship investment required in Asia. The differences in the cultural beliefs and customs of business people increase the opportunities for misunderstandings since there is little in the shared "field of living experiences."

5. American MNCs that want to fully participate in the international trade opportunities of the 1990s and to fully prepare their company for the challenges of the "Pacific Century," must incorporate new approaches to overcoming the challenges of cross-cultural communications.

6. One way to meet this challenge and to increase communication skills of the MNCs main "message carriers" is to offer cross-cultural training for the managers before they start their roles as the corporations' major representatives overseas, particularly in the Asian countries.

This author posits that a new approach is required in many American MNCs in order to meet the challenges of international trade and international public relations during this new decade. During the last few years of the 1980s, some MNCs discovered that there increased opportunities when the once-considered, very separate

departments of public relations and marketing are cooperating and coordinating their efforts in the initial planning stages.

Since there is evidence of the success of the increased cooperation of these two departments, this author believes that another element should be considered and included in the initial strategic planning stages for international public relations and the "marketing mix." This author posits that the MNC combine the planning and the efforts of the "people department," often named the human resources department, of the corporation along with public relations and marketing.

By incorporating a joint planning effort for effective international public relations the MNC gains the insights of all three departments for the best approach to take in appealing to new customers in a vastly different culture. The cross-cultural training program may be coordinated or implemented by the human resources department, but should include close coordination and input from the public relations and marketing departments regarding the desired communication goals and the ways managers can meet these for the corporation in another country.

With consistent business-goal definitions and reinforcement reasons why the manager will need to know the information to be successful in his or her own position and for the corporation, there may be an increase in the

managers' interest for learning about the host country's culture.

For the American MNCs which already offer some form of cross-cultural training and for those corporations considering a program, this author suggests the following model as a means to creating effective business communicators.

Depending on the level of training already offered and the knowledge and skills of the trainers, the MNC will determine the most appropriate people to conduct cross-cultural orientation. Some corporations have in-house trainers conduct the awareness and adaptability exercises usually in the form of simulations and role playing, but then bring in outside experts for specific country and language information. The training program can also be completely contracted to an outside professional organization, such as the ones described in the previous chapter on cross-cultural training.

An "ideal program" would be as customized as possible to a specific company and then to individual managers in all possible areas. This would create a different ideal program for almost all corporations, but there are some basic elements beneficial to include in each one. A needs assessment would be conducted as an initial step to determine the current level of candidates, their potential for adaptability and flexibility in a different culture and

their current knowledge and communication skills for a particular culture.

This initial step includes in-depth interviews of the manager and his or her family to determine attitudes and expectations. Managers expected to relocate with their families overseas for an extended period of time should be allowed to reconsider the assignment and withdraw gracefully. This author agrees with Nessa Loewenthal, Director of TransCultural Services, that the process of self-selection will actually save the company money and should be done without negative career implications.

The author of this study contends that it is the awareness level of the manager--the degree of trained listening, observation, and adaptability skills--that matter most in effective communications overseas. This priority does not diminish the necessity of understanding other's customs and protocols, but the "do's and do not's" list varies from country to country. While it is generally more convenient for a company manager to gather as much information in one place at one time, this "list" information may also be gained through reading about the country, attending lectures and questioning others from that country.

However, the managers' level of adaptability skills is crucial for success in most corporations since there are often several countries and cultures involved in the

international business operations. Because there is no other geographic region in the world with more cultural diversity than the Pacific Rim countries, the need for adaptability skills is greater there than anywhere else for American business people.

To increase the level of awareness for managers of the nuances in other cultures, the first stage of the training would involve a period of self-assessment. The concept of studying "Where do I come from?" before studying where I will go is emphasized by the Experiment in International Living program.

Following a self-assessment and an examination of the U.S. culture, the program would move into the study of other cultures. Since the level of international communication skills of managers vary, American corporations would need to have to build-in flexibility regarding the length of time devoted to the training. Providing a manager, who has previously lived and worked in China, with updated information may only require a day or two. However, managers who have limited experience in other cultures may require a minimum of three weeks, three months or longer to gain the necessary skills for a complex society.

When language requirements are considered a priority, the length of time would increase according to the previous experiences of the manager and the complexity of the language. While it is not reasonable to expect all managers

to be fluent in several languages before conducting international business communications, this author posits that it is a public relations function to develop positive relationships and communicate effectively with the people influential in the MNCs plans for conducting business. From the evidence in both the author's interviews of business leaders and in the literature, it is a courtesy and a means of showing interest in the people and their business when the American manager can greet and say several polite phrases in the hosts' language.

This author strongly contends that the manager in the American MNC should be given at least the same opportunities to become knowledgeable and skilled in another culture as the managers in the other country with whom he will be negotiating and working to gain respect for himself and his company. In Japan, for instance, the business person is often given a year to become immersed in the customs and language of the U.S., without having to maintain the usual work load in the corporation.

The author of this study emphasizes that American managers are under a distinct disadvantage with the time constraints of trying to juggle their ordinary workload and incorporate new communication skills. Additional elements of disadvantage for the American business person include the fact that he or she probably was not trained in a second language as Asians have been trained in English. The

American manager who wants to do business in Asia must first travel there and often suffers from fatigue and jet lag when the corporation's stakes are the highest for initial business meetings. This disadvantage could easily be overcome with the adoption of a long-term time investment attitude for Asian business by the MNCs.

Role playing to increase negotiation skills in a different cultural environment is a necessity. And in the countries where social contacts are a priority to conducting business, role playing can offer distinct advantages to gain the needed cultural social skills.

In almost every other aspect of American life, the value of training and practice is upheld and admired. Athletes receive considerable credit in this culture for perfecting their skills through a variety of training and practice methods. This author believes that American MNCs which apply that trained-athlete approach to the training needs of their managers will see immediate results in increased communication skills for the manager and in increased business profits for the corporation.

Simulation, as described by trainers with the Experiment in International Living, would be a vital part of the training program model. This author posits that the simulation teaching approach provides maximum opportunities for increased learning and awareness growth due to the potential of learning on several levels at once. The

participant must learn and understand the cultural characteristics and thought processes of the country group, or "tribe" to which he or she is assigned.

In the process of solving a predetermined problem within the context of that culture, through interactions and interpersonal communications with other participants from a different culture, the managers gains new insights on their own cultural base, how they tend to react and project within the context of another culture and what skills need additional polishing before entering the actual international playing field.

The ideal training model would also include the traditional aspects of cross-cultural training, such as country specific knowledge, particularly for the manager who must have daily contact with leaders in that environment and needs to appear knowledgeable about his host country. This type of training easily lends itself to the use of films, audiovisuals and the use of experts on specific countries to describe the predominant characteristics and expectations of that region.

When language acquisition skills are required, the length of time for the training as well as the intensity of the experience are often excellerated. The "immersion" into the other culture and language of six weeks or more offered by the Monterey Institute of International Studies could be the solution when more in-depth knowledge and advanced

language skills are required.

Cross-cultural training can create a profound change in the awareness of the types of public relations and marketing which work best in other cultures. The only limitation is a need for expanded awareness--on the importance of the training and the types of training which may be most effective toward communicating within a specific culture.

The role of the manager as the main persuader and message carrier of the corporations can no longer be underestimated. The role of the corporations' international public relations in getting its message to the public and the role of interpersonal communications are more intertwined.

There have been too many examples of costly cultural blunders by American multinationals in the past. The decade of the 1990s is here and is the last chance to prepare for "The Pacific Century." From the evidence in this study, it seems that the American MNC's who will play predominant roles in the international trade game will see to it now that their managers learn the rules of the game before sending them to the international business field.

Implications for Future Research

Pronouncements of the significance and the power of interpersonal relationships in international business communications raise important questions, yet to be answered

by mass communications researchers. The preliminary evidence from this study and from related works in the literature shows that American multinational corporations have not fully acknowledged the significance of the roles of international public relations, the managers as the main "message carriers," and the potential benefits of offering cross-cultural training for these managers.

More systematic surveys are needed to answer questions such as the ones below. This limited, exploratory research is offered as a preliminary study to provide a basis of information and to encourage others to conduct more systematic studies. Some of the questions to consider for future studies include the following:

1. If MNCs recognize the importance of public relations as a vital part of management and recognize the manager as the "best carrier of the message," what are the corporations doing to incorporate cross-cultural training as part of their long-range communications plans?
2. What types of predictions could be formulated regarding the new trend toward combining the efforts of the departments of public relations and marketing with other departments within MNCs, such as human resources, as company leaders recognize the need for international and interpersonal business communication skills?
3. Since managers often take on the public relations function of persuasion when representing their corporations, how is the role of cross-cultural training perceived by American MNCs as a means toward reaching the goal of improved international public relations and marketing?
4. Have the perceptions of Asian business managers who live in the Pacific Rim countries changed significantly during the last five years regarding

the communication skills of American managers? Do they believe Americans are becoming more astute in the new decade?

5. Have the perceptions of American business leaders who live in Pacific Rim countries changed significantly during the past five years regarding the types of information and skills they would encourage the MNC to offer others in cross-cultural training?

6. Have American business leaders increased their skills in foreign languages as part of a plan to improve interpersonal communications, negotiating skills and effective public relations/marketing in the Pacific Rim countries?

In the future as more American MNCs offer cross-cultural training programs for their managers, further studies may be conducted on both sides of the Pacific to predict the most effective training in cross-cultural and second language learning methods. Research in this area could also be useful for further studies on: (1) the of the impact of the recent trend in international public relations to recognize the importance of a more interpersonal approach, particularly in Asia; and (2) the perceptions of public relations professionals link between cross-cultural training programs and improving the MNC's public relations and corporate image through its managers in other cultures.

As international trade roles between countries emerge during the 1990s and the high economic stakes of the "Pacific Century" become more apparent, the issues of cross-cultural training and effective public relations and marketing may gain new significance in American multinational corporations.

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SOURCES CONSULTED: INTERVIEWS

(Note: This section of the bibliography includes the list of experts interviewed by the author for this exploratory study. The categories of the interviewees expertise include: (1) business communications, both American and Asian business leaders; (2) international trade promotion; (3) Pacific Rim countries, particularly China and Hong Kong; and (4) cross-cultural training and consulting.)

Business Communications

American Business Leaders:

Chandler, Mark, marketing and business coordinator, San Francisco's Mayor's Office of Housing and Economic Development (MOHED). Interview by author, 20 October 1987, San Francisco, CA.

Dunlap, James, attorney at law and director of the Hong Kong Office, Graham and James. Interview by author, 8 March 1989, San Francisco, CA.

Kline, Robert, vice president, Revlon, Pacific Rim Region, based in Guam. Interview by author, 25 August 1986, San Jose, CA.

Krist, William, vice president, International Trade, American Electronics Association, Washington, DC Office. Interview by author, 16 June 1988, Santa Clara, CA; and follow-up telephone interview 1990.

Perro, David, analyst, Software Division, Pacific Rim Region, Dataquest, San Jose, CA. Interview by author, 11 October 1988, San Jose, CA.

Raza, Atiq, vice president, NextGeneration, and former vice president of VLSI, both in San Jose, CA. Interview by author, 5 October 1988, San Jose, CA.

Rude, Andre, director, International Personnel, Hewlett-Packard Company, Cupertino, CA. Interview by author, 25 September 1986, and 20 February 1987, Cupertino, CA.

Scalise, George, president and chief executive officer, Maxtor Corporation, Santa Clara, CA. Interview by author, 25 August 1987, Santa Clara, CA.

Thomson, Ralph, president, International Business Catalysts, Palo Alto, CA. Interview by author, 18 August 1987, Santa Clara, CA; and follow-up telephone interviews in 1989, 1990.

Weiner, Steve, director, Center for International Trade and Development (CITD), San Jose, CA. Interview by author, 16 June 1988, Santa Clara, CA.

Asian Business Leaders:

Chan, John, chairman, Asian American Manufacturers Association, Menlo Park, CA; and president, Dublin Multilayer, Inc., Dublin, CA. Interview by author, 9 January 1989, San Francisco, CA; follow-up telephone interview in 1990.

Choa, Robert, vice president, ECAD Inc., Santa Clara, CA. Interview by author, 21 August 1986, Santa Clara, CA.

Chuk, Wai-chung, president, DoGAIN, Inc., Santa Clara, CA. Interview by author, 21 August 1986, Santa Clara, CA.

Dong, Nelson, partner, Cooley Godward Castro Huddleson and Tatum, San Francisco, CA; and general counsel, AAMA, Menlo Park, CA. Interview by author, 9 March 1989, San Francisco, CA.

Eng, Landy, chairman, Asian Business League, San Francisco, CA. Interview by author, 28 August 1986, San Francisco, CA.

Fong, Kenneth, president, Clontech Laboratories, Inc., Santa Clara, CA; member, Board of Directors, AAMA, Menlo Park, CA. Interview by author, 12 January 1989.

Lam, David, chairman and chief executive officer, Expert Edge, Palo Alto, CA; former Chairman and CEO, Link Technologies and Vice President of Wyse Technologies, Santa Clara, CA; president, AAMA, Menlo Park, CA. Interview by author, 23 February 1989, Palo Alto, CA.

Lau, Steve, president, Eastquest International, Sunnyvale, CA. Interview by author, 7 March 1989, Santa Clara, CA.

Jonathan Liu, president, American Computer Products, Sunnyvale, CA. Interview by author, 19 August 1986, Sunnyvale, CA.

Wu, Joseph, president, TFT, Inc., Santa Clara, CA; member, Board of Directors, AAMA, Menlo Park, CA. Interview by author, 12 January 1989, Palo Alto, CA.

International Trade Promotion

Aronson, Maria and Kelly Jacobs, country desk officers, France, U.S. Department of Commerce, Washington, DC. Interview by author, 19 November 1987, Washington, DC.

Galbraith, Shelly, country desk officer, Israel, U.S. Department of Commerce, Washington, DC. Interview by author, 19 November, 1987. Washington, DC.

Harding, Richard, country desk officer, India, U.S. Department of Commerce, Washington, DC. Interview by author, 19 November, 1987. Washington, DC.

Hogan, Brenda, country desk officer, Ireland, U.S. Department of Commerce, Washington, DC. Interview by author, 19 November, 1987. Washington, DC.

Lee, Jeffrey L., country desk officer, Hong Kong and China, U.S. Department of Commerce, Washington, DC. Interview by author, 19 November, 1987. Washington, DC.

Lipsky, Susan M., assistant director, International Operations, Office of Productivity, Technology, and Innovations, U.S. Department of Commerce, Washington, DC. Interview by author, 18 November, 1987, Washington, DC.

Luftman, Jerome F., regional manager, Northern California, Export Finance Office, California State World Trade Commission, Sacramento, CA. Telephone interview by author, 17 March, 1987.

Merrifield, Bruce D., assistant secretary for Productivity, Technology and Innovations, U.S. Department of Commerce, Washington, DC. Keynote speaker at the American Electronics Association Strategic Alliance Symposium, Cambridge, MA, on 22 September 1987. Symposium coordinated by author and notes accumulated from conference, Cambridge, MA.

Oliva, Paul, research analyst, California State World Trade Commission, Sacramento, CA. Telephone interview by author, 9 May, 1990.

Underwood, Gerry T., director, International Programs and International Partnerships for the Commercialization of Technology Program (INPACT), Office of Productivity, Technology, and Innovations, U.S. Department of Commerce, Washington, DC. Interview by author, 18 November 1987, Washington, DC.; and follow-up interview 1989.

Pacific Rim Countries

Bundy, Dr. Barbara, director of the Center for the Pacific Rim, University of San Francisco, San Francisco, CA. Telephone interview by author, 7 March 1989.

Conley, Lyle H., officer, Hong Kong Government Industrial Promotion Office, San Francisco, CA. Interview by author, 8 March 1989, San Francisco, CA.

Gock-Chan, Malvina, president, Menlo Park Chamber of Commerce, owner Ms. Gabbies (fine Oriental gifts), Menlo Park, CA. Interview by author, 8 March 1989, Menlo Park, CA.

Myer, Dr. Kent, director of the Pacific Rim Exchange Program, Sacramento State University, Sacramento, CA. Telephone interview by author, 8 March 1989.

Myers, Dr. Ramon H., curator-scholar of the East Asian Collection and senior fellow in the Hoover Institution, Stanford, CA. Interview by author, 15 August 1986, Stanford, CA.

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Cross-Cultural Trainers/Consultants

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Brown, Christopher P., director, Training and Development Department, International Telecommunications Satellite Organization, (INTELSAT), Washington, DC. Interview by author, 20 November 1987, Washington, DC.

Clarke, Clifford, president, Cliff Clarke Consultant Group, (CCC Group) formerly IRI International; Redwood City, CA. Interview by author, 3 February 1988, Redwood City, CA.

Falton, Peter. project director of International Development and Training, The Experiment in International Living, Brattleboro, VT. Telephone interview by author, 7 May, 1990.

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