Cross-Cultural Barriers and Survival of Multinational Enterprise (MNEs) in Nigeria

Amaka Ijeoma Obalum¹ and Edwinah Amah²

¹Doctoral Candidate, Department of Management, University of Port Harcourt, Rivers State, Nigeria | E-mail: amaka.obalum@gmail.com
²Associate Professor, Department of Management, Faculty of Management Sciences, University of Port Harcourt | E-mail: edwinah4christ@gmail.com

Abstract: As enterprise operations continue to be globalized through international extensions, joint ventures, mergers and acquisitions, strategic relationships and partnerships, multinational firms need to offer consideration regarding issues of culture in human resource management exercises as a solution for prosperity. The global association is able if only it can cross over any barrier among administration and culture so that personal associations with other individuals in the association and society progress toward becoming in agreement. This is basic on the grounds that social relativity and reality in associations impact tasks. The research was intended to explore the Cross-cultural Barriers influencing the Survival of Multinational Enterprise (MNEs) In Nigeria. Given the routine nature of operations of the multinational corporations. The contingency approach and particularistic theory were adopted. In Nigerian business environment, multinationals have to contend with certain primal issues when making entry which includes political landscape, legal and regulatory nature, terrorism issues. This paper discusses the major ways of overcoming the factors that can affect cross-cultural communication in multinational corporations as improvement in intercultural competence, language training, cross-cultural knowledge preparation and implementation of joint benefit strategy. This paper recommended amongst others that Governments in Nigeria should ensure that cultural dimensions are reflected in private-public partnership (PPP) agreements with MNEs to ensure positive HRM across borders.

Keywords: Cross-cultural, survival, multinationals, barriers, enterprise, business environment, language, communication

INTRODUCTION

The flood in the advancement of Multinational Corporations around the 1980s bears an unequivocal connect to the inescapability of monetary globalization. Truth be told, present day globalization is identified by the actions of multinationals. Their activities range over numerous nations, social styles and monetary power starting with one nation then onto the next, going about as facilitators of financial globalization (Cook, 2006). Reich (1994) noticed that; the expanding armada footed-ness of organizations around the globe by means of mechanical developments” has affected enormously on worldwide incorporation by making the procedure simpler. A global organization is characterized as an "enterprise that in excess of one nation possesses or controls manufacturing or service amenities and exercises that include value" (Leat, 2003). It is likewise one that is principally found and ran from the nation of its beginning however creates merchandise or administrations in generally self-ruling abroad subsidiaries to meet the requests of local markets (Rollinson, 2005; Hill, 2005). The product or service can be required to satisfy not only local markets but also international markets, as brands of a certain country can be found in the markets of several other geographically distant countries through foreign direct investment or other channels of distribution. From numerous points of view, social issues speak to the most subtle part of worldwide business. In a period when current
transportation and communication advances have made a worldwide town, it is anything but
difficult to overlook how profound and bearing the distinctions among countries can be
(Bateman and Snell, 2011). The fact that people everywhere eat similar foods, wear similar
clothes and drive similar cars does not imply that we are all becoming alike. Each nation is
exceptional for reasons established ever, culture, dialects, geography, social conditions, race, and
religion. These distinctions confound any universal movement and speak to the crucial issues
that advice and guide how an organization should lead business crosswise over boundaries.

At the point when a firm offers over the outskirts of countries, it faces certain worldwide
choices and issues. Kotler and Keller (2014) clarify that ethnocentrism is one of the more
noteworthy issues confronting numerous global firms. Ethnocentrism is the evaluation of the
culture of remote individuals or groups by the standards of one’s own culture or on the other
hand group, and to see one's very own guidelines as superior. Sinkovics and Holzmüller (1994)
contend that individual feelings towards different societies may impact the supervisor or
administration all in all regarding certain culturally diverse choices.

If directors are to work successfully in an overseas setting, they should see how societies
impact both how they are seen and how others carry on. A standout amongst the most touchy
issues in such manner is the way culture happens as far as moral conduct (Trevino, and Nelson,
2005). Issues of good and bad get obscured as we move starting with one culture then onto the
next, and activities that might be typical and standard in one setting might be dishonest, even
illicit in another. One noteworthy anxiety of late is that in spite of some conspicuous contrasts
among societies, contemplates Desai and Rittenburg, (1997); Buller, Khols, and Anderson,
(1997) recommend that paying little mind to nationality or religion, a great many people grasp an
arrangement of five center qualities: empathy, reasonableness, genuineness, obligation and
regard for other people. These qualities lie at the core of human rights issues and rise above more
shallow contrasts among Americans, Europeans, Asians and Africans. Finding shared qualities,
for example, these enables organizations to construct more viable associations and affiliations
particularly crosswise over societies.

In a perfect world, the test of overseeing crosswise over boundaries and the issues of
ethnocentric conviction come down to the theories and frameworks utilized by worldwide
businesses to manage people. In moving from domestic to worldwide administration,
organizations need to build up a wide arrangement of practices alongside the ability to modify
their conduct for a specific circumstance. Bateman and Snell (2011) posit that the adjustments
should however not compromise the values, integrity and strengths of the multinational
enterprises (MNE’s) home country. At the point when worldwide firms can rise above national
outskirts and move among various societies, they can use the key abilities of their association
and exploit the openings that our global economy offers (Hill, 2005). With these and many more
facts, this paper hereby reiterates the cultural constraints striving against the survival of
multinational enterprises in Nigeria.

Problem Statement
In the Nigeria contemporary organizations, conflicts and lackadaisical attitudes among the
employees have become one of the recent trends facing many global firms. In spite of the fact
that what establish the majority of the reasons for these issues exude from numerous powers
among which is the issue of super-forced overseas culture of the global ventures parent nation on
the workers and also acquiring outside administration procedures which might be seen by the
local faculty as ethnocentric in nature (Kolajo and Tessy, 2004). To the employees, their singular nearby standards and qualities are essential to them and thus, some of them escape and others leave the organizations at whatever point accessible better opportunities surface.

For the most part, multinational enterprises (MNEs) are to work and capacity in nations where there is modest work, high market possibilities and shabby economies of scale with the end goal to limit cost and augment the qualities for the organizations’ partners. It is generally anticipated from these MNEs to decentralize their administrative exercises with the end goal to invigorate feeling of assets among their various workforce.

Thus, while working abroad, MNEs have a decision among sending expats (people from the parent nation) or utilizing host-nation nationals (locals of host country). Unfortunately, for all intents and purposes most MNEs working in Nigeria, because of the ethnocentric conviction, utilize expats in key positions as opposed to host nation (Nigeria) natives. An examination concerning a large number of these associations uncovered that 75% of the top and middle level administration workforces are of overseas inception, a factor that some think might be adverse to the general viability of these organizations.

Furthermore, worldwide firms and global partnerships have, as of late is encountered with the issue of picking among institutionalized worldwide systems or adjusted/confined one. For most MNEs, adjusting to the host nation's marketing exercises has been a concern due to their ethnocentric superior belief. Also, the individuals who use the local systems only use it in the region of marketing communications. It has additionally come into worry that for all intents and purposes a portion of the products purchased in Nigeria today is as the equivalent with the ones you see when you travel abroad. Subsequently, most MNEs trust that standardization has turned into the primary technique in the worldwide offering notwithstanding when there is solid need of weight for local responsiveness to adjust to the changing consumer's tastes and inclinations among nations. It is against this background that this study seeks to examine how cross-cultural barriers facing multinational enterprises in Nigeria and how productive and efficient they might be.

Theoretical Perspective

Contingency Approach: These approach is a model that was developed by the Aston School in the 1960s. A significant part of the contingency hypothesis exploration studied organizational structure and for this reason is usually alluded to as structural contingency theory. This theory posits that, given similar circumstances, the structure of an organization – that is, the best patterns of control, coordination and communication – can be expected to be very much the same wherever it is located.

The theory further posits that, if they are to be successful, organizations must structure in response to a series of demands or contingencies posed by then scale of operation, usually expressed as size, the technology employed and the environment within which operations take place. The contingency hypothesis expresses that the mechanistic structure (hierarchical, centralized formalized structure) fits a steady situation on the grounds that a various leveled approach is effective for routine operations. Given the normal idea of operations, the management at the upper level of the hierarchy possesses sufficient knowledge and information to make decisions, and this centralized control fosters efficiency. Interestingly, the natural structure (participatory, decentralized, unformalized structure) fits a shaky domain and circumstances of high task vulnerability. A noteworthy wellspring of task vulnerability is
innovation, much of which comes from the environment of the organization, such as technological and market changes.

**Particularistic Theory** of administration was established by Amble (2000) who clarifies that the particularistic hypothesis of administration predicts that cross-national contrasts in administration and organization will persist. The reason is that administration and association reflect desires and inclinations that vary between nations. This theory strongly believed that organizations and management in different countries can differ fundamentally, and that different explanations are necessary for different countries. Moreover, particularistic elucidation of association and administration infer that history matters, as national frameworks of administration and association are past-dependent.

**Concept of Culture and Cultural Perspective**

The defining lines of culture are shifting all the time, and additionally the design of cyphers and implications that supports the structure of our society. The development of the “knowledge-economy” as the principle creation and value-generation model of our age clashes strongly at cultural element. To ace the simple thought of culture is in no way, shape or form simple. Definitional troubles demonstrated a noteworthy hindrance in exertions to streamline the data with respect to the monetary effects of culture and propose a broadly acknowledged appraisal methodology. In its most general terms, culture can be seen as a shared way of doing and understanding things, a system of values and a set of rules that binds a nation or community and is formed by the peculiar historical development of that community. The 1982 world meeting in UNESCO on cultural politics portrayed culture as concerning «... all the specific features, spiritual, material, intellectual or affective, that describe a general public or human group. Culture includes, besides art and literature, way of life, basic human rights, system of value, tradition and religions». In spite of the fact that in the worldwide domain the data – and consequently the way to comprehend reality – are meeting to an ever increasing extent, culture still have any kind of effect, and in this sense the Europeans can state that they are not the same as Americans, Italians guarantee they are unique in relation to Germans, and even Rotterdammers may vindicate their fashionable “know how” distinguishing them from the other Dutch.

Culture is what characterizes us as human beings and members of a community. Through human creative activity, culture is accumulated, experienced and rooted deeply in a community, not only as tangible items like monuments and art objects, but also as symbols, activities, landscapes or landmarks, conventions of public life and conviviality, festivals, rituals and food. In addition to the difficulties in rendering the abstract definition of culture more operational, its meaning changes from place to place and over time according to the prevailing cultural paradigms.

This study is not only about the original definition of culture, though we are aware of the complexity and relevance of the different arguments. It is rather concerned with the investigation of the effects that cultural activities as commonly accounted for have on the survival of multinational enterprises.

**Cultural Globalization**

Globalization as an occurrence mirrors the expanding interactions among people and establishments over the globe. This interaction spreads through all facets of human endeavour. Thus, globalization is a multidimensional procedure covering economic, political, cultural, social, environmental, and technological activities. The social measurement has offered ascend to
what may be named "cultural globalization"; which shows through the loss of social relativity and pluralism. The globalization procedures are completed by various operators which the foremost specialists include multinational or transnational organizations. They are described by solid worldwide statistic, ecological, financial, political, social, logical and mechanical trends in interdependencies instead of restriction which underscores heterogeneous processes and cultural exclusiveness. Its financial measurement incorporates local economies into the worldwide economy and simultaneously expands monetary and work reliance interdependence over social and national limits (Mohammed, 2006; Ojo, 2003).

The Nigerian Business Environment in Perspective

Present day associations work and contend in an unstable business condition given the spate of globalization, changing innovative progressions and a few different elements. Organizations exist, exist together, contend and participate in a vibrant and unified condition that is portrayed by multifaceted nature. This infers simply like living beings, associations need to adjust to the dynamic condition in which they exist (Morgan, 1996). Multinationals need to battle with certain base issues when making admission into and upholding importance in any host nation. The Nigerian setting can sensibly be portrayed as an unfurling one, as the rules supporting many key areas are as yet developing and advancing. It has likewise been marked in various discussions with respect to issues of; approach irregularity, absence of straightforwardness and responsibility in connection to performance of particular political, social, money related and monetary essentials. In these conditions, multinationals normally bear the unenviable weight of settling on vital business choices based on flawed presumptions which could affect adversely the foreseeable future. In light of the eccentricities related with the Nigerian business territory; it is needful to clarify particular issues that multinational associations ought to organize as far as the consequences it portends.

Political Landscape

This phrase is also usually referred to as the “political will” of a subsisting government to do, partly do or refrain from doing anything which from all reasonable estimation will result to the greatest benefit to the best number of persons. The question then is how to effectively measure or ascertain the level of political disposition attributable to a particular government or its agencies. A practical way to achieve this is by assessing the degree of commitment applied to a given cause of action. When this characteristic (commitment) starts to fade and in the end comes full circle in a diversion from recognized objectives, it might be useful in such conditions, to infer that political will is missing within the framework (that is, regardless of whether it existed in the principal occurrence). In particular terms, positive political attitude will recommend with respect to the overarching government; guaranteeing consistence with the standard of law, safeguarding due procedures, executing worldwide models and best practices. A tendency towards such files fills in as the premise to produce an empowering domain for human members inside some random setting. The nonattendance of which is a dis-motivating force to willing multinationals to set up organizations and when they really do, it gives practical hindrance to development potential outcomes later on. Nigeria is usually considered as a country with manifold potentials and unrealized expectations. In reality, it is the inability to determine certain essentials that has kept human asset and skill from making persevering commitments that would emphatically affect on the financial texture of the country. Fundamentally, when these hidden issues are suitably overseen, it should result in an exchange of the required certainty levels to an assortment of associations to store the essential abilities set and mastery in Nigeria over a supported period.
Along these lines, the more multinational enterprises see Nigeria as a place they can genuinely call a "home", the higher the odds of Nigeria accomplishing persisting monetary thriving.

**Legal and Regulatory Nature**

The idea of the lawful and administrative condition of a nation speaks to one of the fundamental parameters to evaluate the stance of the government on focal issues that influence the prosperity of the citizens. In specific terms, it suggests to the fact as to whether or not there is a viable platform for local and foreign businesses to build and grow their diverse commercial interests. The accomplishment of a viable lawful and administrative structure is vital for Nigeria since it will empower the benchmarking of its procedures, work and human resource administration practices comprehensive, against what is possible in different countries. This methodology will likewise result in the adjusting of existing models to suit predominant local conditions in Nigeria towards accomplishing down to earth objectives of; upgrading nearby ability levels, creating experienced work laws and controls, viable dispute settlement instruments and provisions of utilitarian administrative offices on issues of education, training, corporate social responsibility and local content. Nigeria’s legal environment is still relatively weak as there is no correlation between the number of available legal officers and regulatory agencies and the rate of compliance and enforcement. Also, the level of funding that is dedicated to these aspects of governance (legal and regulatory) is partly responsible for the declining performance of the relevant agencies in this respect. It is imperative, that the high rate of organization duplication rather than the strengthening of practical offices has obscured the quintessence of direction of multinationals in a few regards. As an outcome of Nigeria's conflicting legitimate and administrative condition, global companies may need to battle with numerous vulnerabilities which may result in unintended results. In Nigeria, it isn't surprising for foreign organizations to appoint expats to fill positions within their associations inspite of accessible local choices. The feeble regulatory regime allows the uncontrolled flood of non-natives into Nigeria with constrained thought with regards to the effect on the nearby work conditions, remembering the overarching high rate of joblessness. Likewise, because of the strain to draw in new organizations and support financial development, there is a clear desire to facilitate the prerequisites on expats quotas. Thus, the need to keep up a powerful parity as respects the training and position of local labour is progressively dissolved. As the accentuation on the improvement of local abilities declines, the equivalent multinationals that are being peddled, may in time mark this pattern as an additional disincentive not to set up or extend their business activities in Nigeria.

**Infrastructural Element**

Infrastructural parts and financial pointers of a nation are straightforwardly connected. In effect, as the level of infrastructure advances and becomes more accessible to the citizens of that country, it will progressively lead to improved quality of life. Thus, infrastructure should be perceived as an integrated system of processes and structures, rather than, as fragmented assets. Because of the evident infrastructural deficiency in Nigeria, especially as far as (power, roads, water, state funded education and reasonable housing) numerous associations are left with little choice yet to constrain their ventures on specific parts of their activities. In such a complex working condition as Nigeria, some proportion of trade-offs should be connected with the end goal to support any business on a gainful premise. Essentially, the more it takes for these pertinent matters to be viably tended to; it turns out to be more advantageous for multinationals to settle on key business choices that won't unduly open them to the associated dangers of
working together in Nigeria. It is in this way not strange for such associations to downsize activities in Nigeria in inclination for more good neighbouring nations, cut back or even totally strip from Nigeria in extreme situations.

**The Terrorism Challenge**

In Nigeria today, terrorist acts have become a reality of the everyday existence of an average Nigerian unlike many years ago, when it would have been unimaginable to suspect that Nigeria will experience a series of terrible acts of terrorism perpetrated on a magnitude and without fear of punishment. This is clear in the expanding pattern of their criminal exercises running from the bomb impacts, decimation of lives, properties (Jimmoh, 2011) and as of late kidnap and blackmail.

The effects of the exercises of Boko Haram agitators on the Nigerian business condition are permanent and multi-faceted. Alao, Atere and Alao (2012) stated that the rebellion has backed off national monetary development as it isn't practicable for financial specialists to put resources into a disturbed business condition. Eme and Ibietan (2013) place that fear based oppression is a terrible flag to financial specialists, as it is logically changing the monetary structure of Nigeria. While nearby business are closing down and moving to different parts of the nation saw to be less disturbed, multinational companies have moved to moderately more secure nations and potential global partnerships are checking on their interests as respects putting resources into Nigeria in light of the fear based oppression challenges.

**Overcoming the Cross-Cultural Barriers**

Diverse variables have been the reason for such a significant number of problems in the administration of multinational enterprises. It is of incredible significance to build up a viable and proficient approach to defeat these boundaries, if these sorts of endeavours need to be more grounded and more extravagant. In perspective of the distinctions that exist between societies, the accompanying techniques are proposed for the enhancement of the administration of worldwide ventures.

**Intercultural Competence**

Intercultural competence incorporates the linguistic veracity and social suitability in utilizing dialect. Language and culture are indistinguishable. If both the groups engaged with communication don't think about one another's way of life, correspondence will fall flat. In this way, enhancing staff intercultural skill will evacuate the communication hindrances between inner staff. Between social skills could be enhanced through the accompanying techniques:

**Language Training**

Language barrier is the greatest problem encountered in the communication between workers from different cultures. In the event that it is conceivable to give dialect training to employees, particularly the individuals who have more odds of interacting with outsiders, it will without a doubt decrease some pointless misconception and inconsistencies, in spite of the fact that they can't be deleted completely. Then again, non-natives, particularly the foreign administrators in multinational enterprises, can also learn some local languages. This will make it simpler for them to be accepted by the natives and to have a harmonious relationship with them.

For a comprehensive dialect training framework, there are a few stages these multinational organizations can utilize. A compelling language training plan ought to be given. It should usually cover the following contents: firstly, there should be practical training topics such as Basic Communication, Quality Management, Project Management, and Marketing & Sales; secondly, lots of members should attend the language training program; thirdly, to meet different
training targets, appropriate subject, depth of training, and techniques for clarification ought to be embraced; in conclusion, a criticism on audit and talk of the organizations’ dialect training system ought to be taken as an issue of incredible importance, as this will give more encounters and exercises to alternate actives done in these ventures.

**Cross-cultural Knowledge Training**

Dialect isn’t just the bearer of culture, yet in addition part of it. Cross-cultural communication incorporates verbal and non-verbal communication, among which dialect is the most fundamental. It tends to be said that everybody, be he a local or nonnative, wants to speak with other individuals (Patria and Marc, 2001), however they will most likely be unable to do as such straightforwardly. Issues, in this way, emerge if such a man utilizes an interpreter or a mediator as in specific words may not be utilized as precisely as the individual needs.

Cross-cultural knowledge training implies recognizing and conceding the presence of contrasts between cultures. Such differences mainly include differences in perceptions, and interpretation and evaluation of social circumstances and the general population who make them and act inside them. These differences have to be named, described, explained, and understood. Recognizing the culture of a colleague is considered to be the first condition of mutual understanding and good cooperation. This step is definitely not common or easy.

Sometimes, both parties use the foreigner’s own language, but there could still be misunderstanding as a result of behavioral differences given the cross-cultures. If this lasts for long, both parties will begin to suspect each other. If there is an irrational individual, he will cause more problems for the enterprise. As time goes by, more misunderstandings and contradictions may arise, which will surely destroy the cooperation between both parties and cause great damage to the development of the enterprise. Therefore, cross-cultural knowledge training is needed for both the native and the foreigner.

**Creating and Establishing New Enterprise Culture**

By understanding different cultures and adapting to the native culture, different enterprises should establish a new enterprise culture on the basis of mutual understanding of culture and the requirements of the enterprises’ development strategy. To build up the multicultural enterprise culture, both parties should find out the common aspects of their cultures and use them as the basis for building the new one. The ultimate purpose of every enterprise is to earn money. In this case, the management concept and mode may be similar in different cultures. Therefore, if these common grounds are identified, a certain kind of new enterprise culture can be established and accepted by both parties (Peng et al., 2005). In other cases, a new method must be developed to effectively harmonize different cultures. Generally speaking, if cultures vary a lot among multinational enterprises, the native culture and the foreign culture will be both encouraged and saved to reduce cultural conflicts at the beginning of the establishment of enterprise culture and ensure smooth running of the operations of the enterprise.

**Enforcement of Mutual Benefit Policy**

As Berger (1996) posits, in the long-term process of business development, multinational enterprises should concentrate on the mutual benefit of both parties and workers’ rights should be respected in order to achieve a win-win goal.

Human management will help to boost the spirits of the whole workers both natives and foreigners. In this way, the staff can feel the warmth of the enterprise, the inner source of the development being the workers’ inspiration. With the mutual benefit policy, not only the foreign workers, but also the natives can get more than they expect. Usually, workers pay great attention
to salary and other welfare packages because this means further development of themselves and their family. If these can be achieved, all the workers will work conscientiously with great effort to earn the greatest benefits. Then the long-term healthy development and success of the enterprise will be achieved.

**Conclusion**

Organizations are social systems and they are made up of structures, technology and the environment. The common denominator among the three is people. The human element is involved in the designing, building and the operation of organizational structures and the achievement of corporate goals. As a result of increasing business complexity and complexion, vast changes in societal and cultural values, human resource management has assumed more greater scope and responsibilities such that global human resource management has coincidentally become more difficult than before. Due to traditional and socio-cultural differences, human resource management at the global level keep changing. Thus, it has become essential for global organizations to evaluate these changes and respond to them as appropriate in order to keep a contended and committed global workforce without the abdication of its own corporate culture.

**Recommendations**

i. Decisions affecting indigenous people should be based on the visible culture of host communities by MNEs. This will go a long way in forging cordial relationships

ii. Governments in Nigeria should ensure that cultural dimensions are reflected in private-public partnership (PPP) agreements with MNEs to ensure positive HRM across borders.

iii. Top positions in MNEs must reflect a balance adequate enough to cater for the interests of minorities so as to give credibility to management practices by MNEs, across borders.

iii. People management is critical to the success of an organization; therefore, global human resource managers must be given broad training to provide them with the necessary skills to operate in a globalized environment.

**References**


