Towards International Cultural Diversity Management of Public Relations: Viewpoints of Chairmen/CEOs

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ABSTRACT
This paper aims to promote a better understanding of how cultural diversity is practised in multinational corporations in Malaysia. Cultural diversity considers a complex element of management facets within the corporate culture. Managing cultural diversity requires a holistic approach especially from top management personnel in terms of cultural sensitivity and 'local focused'. A qualitative research method, in-depth interviews was employed. The findings revealed that localisation is a hallmark of Asian strategy in winning competitive advantages in the global marketplace. All management personnel stressed the importance of cultural sensitivity in practising business strategy in multinational corporations. Surprisingly, cultural diversity is not a barrier to the management of business strategy, instead it is seen as huge opportunities for Malaysian corporations to create their own corporate identity to compete with global competitors.

Keywords: Cultural Sensitivity, Localization, Asian Strategy, Global Reach

INTRODUCTION
Nowadays, Asia is a ‘goldmine’ marketplace for multinational corporations from all over the world especially from the United States and Europe. Asian crisis that

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occurred in 1997 hampered nation economy due to the failure of Asia on its macroeconomic policies. Kotler and Kartajaya (2000) identified a number of competitive disadvantages that ruined Asian economy such as authoritarian government and state-led development. For example, Soeharto ruled Indonesia for 32 years (Kotler and Kartajaya, 2000). Malaysia is a constitutional monarchy ruled by a head of state, the Yang diPertuan Agong, who acts in accordance with government advice, all within the practice of a parliamentary democracy (Abdullah, 2006). Majority of the Asian governments are directly involved in making decisions about economic development policies for both public and private sectors. Recently, Prime Minister of Malaysia made final decision in appointing Chief Executive Officer of Malaysia Airlines. Most corporations in Asian countries are closely linked to state government in terms of setting regulations and licensing, including some organisational policies.

LITERATURE REVIEW

Malaysia, seen as one of the fastest developing countries (Sriramesh and Vercic, 2003), has a rich multiculturalism and cultural diversity. It is worth stressing that multiculturalism and cultural diversity have a significant impact on the practice of public relations in developed and developing countries (Wakefield, 1996). With consideration of Marshall McLuhan’s notion of a global village, people now live and interact in a multi-complex environment where the diversity of races, religions, cultures and languages are taken into account (Motau, 2004). In a survey by the Public Relations Society of America conducted in October 2004 and January 2005, a lack of promotional efforts to attract additional multicultural employees and a complacency by Public Relation (PR) employment agencies regarding vacancies for multicultural candidates were found to be major challenges faced by the PR industry in understanding multiculturalism and cultural diversity (Adam, 2005).

Over the years, models of multiculturalism have been ignored, even though they are now acknowledged as essential to good public relations in developed and particularly developing countries. A case study by Cummings and DeSanto (in Moss and DeSanto, 2002) revealed that in the 1960s, the International Public Relations Group of Companies (IPRGoC), which served various prominent Japanese companies (but which used Canadian public relations practices), failed
Towards International Cultural Diversity Management of Public Relations

to convince their local and national clients in Asia, especially in Japan. Additionally,
this organisation had to compete with its close competitor, Shandwick International,
which was endeavouring to strengthen its local capacity in Japan. Due to some
Corporate issues, such as internal politicking, a power struggle among various
dominant members and the stiff competition with Shandwick International, the
IPRGoC collapsed. As a result, former personnel decided to build a new
organisation, Worldcom Public Relations Group. Under the new leadership and
with strong personal relationships among members, this organisation has developed
international networks based on the concept of partnership. By emphasising
‘glocalisation’ (adaptation to local orientation), the organisation has become the
world’s third largest PR organisation.

In a highly global setting, most organisations have focused their strategic PR
programmes on a diverse range of stakeholder groups, ranging from an individual
stakeholder to local communities (Cornelissen, 2004; see also Argenti, 1998),
instead of focusing on a single public. In the dynamic business environment, most
organisations have also employed multicultural PR practitioners from different
educational backgrounds, cultures and characteristics, as well as from different
countries to run the strategic programmes for their public relations. Diversity
management, based on a symmetrical approach to public relations, requires this
approach (Wakefield, 1996).

Understanding cultural diversity and multiculturalism is very important to
articulate a sensitive and multi-aspect approach to excellent public relations,
especially in a rapidly developing country like Malaysia. Thus, understanding
cultural sensitivity, including language, religious rituals, taboos and suchlike, may
reduce conflict within an organisation and enhance organisational performance
(LaBahn and Harich 1997). For example, in an Islamic country, considerable
attention should be paid to appreciating religious rituals in the workplace, as if, it
is effectively performed, religious faith may enhance employees’ performance
and the productivity of the organisation. Learning from the calamitous experiences
of the IPRGoC, Cumming and DeSanto (2002) suggest that expatriate PR
practitioners working in a particular country such as Japan should be sensitive to
local cultures and encouraged to communicate in their clients’ language.
In addition to this, although Western PR theories (predominantly from the US) have been well developed and are widely practised by global corporations, it would be useful to apply international (global) public relations in their practitioners’ activities. Sriramesh (2003) argues that with regard to PR education, many Asian countries have come to favour a ‘West is best’ mentality, as they have adopted US PR curricula, course materials, and so forth rather than developing international (global) public relations. He argues that to be ‘multicultural professionals, a comprehensive PR education should deliver knowledge on the linkages between public relations and key environmental variables that influence the practice internationally’ (ibid).

Using Hofstede’s intercultural dimensions, Wilhelm (1998) points out significant cultural differences in management skills between Malaysian and American academics. In this regard, Sriramesh (2003) stresses that theories of public relations require multicultural sensitivity, particularly in a transitional country, as the existing theories have been profoundly influenced by Western philosophy.

Sriramesh and White (1992) argue that there are strong linkages between culture, communication and public relations. They are all affected directly and indirectly by the way organisations operate their businesses. Understanding of international public relations requires a holistic view and a global and multilingual approach (Sriramesh, 2003) rather than merely polishing the image of communication services. Indeed, there is an urgent need to develop international public relations and bring out the implications of its practice in a rapidly developing or transitional country like Malaysia, which is multilingual, multi-ethnic and multi-religious. Bank (1995) points out that:

“Training for cultural sensitivity, international adjustment, intercultural communication, and valuing diversity are essential to creating personal changes in multicultural settings. A diverse and rapidly expanding variety of approaches to these sorts of training are available, and organisations should assess their needs and select a training modality that suits their conditions”.

In Malaysia and Singapore, communication campaigns have always been aligned with ‘intercultural harmony’ (Sriramesh, 2003). Examples are the
Towards International Cultural Diversity Management of Public Relations

celebration of 'Hari Merdeka' (Independence Day), which is concerned with local cultures for all races in those countries. To cater for such circumstances, 'every public relations professional must become a multicultural communicator' (Sriramesh, 2003), with specialised training and development on multicultural facets such as corporate culture, religion, language and suchlike taken into account. This concept gives special advantages to PR professionals who may work with any ethnic group and any country in the world. Thus, it is hypothesised that in the globalisation era, becoming a multicultural communicator can add value to public relations roles.

Thus, this exploratory study attempts to look at how organisational leaders perceived managing cultural diversity can improve their organisational strategy development. Because of public relations is a crucial part of organisational systems, this study identified CEO expectation on how public relations can be used to manage stakeholders through the management of cultural diversity. This study also determines whether cultural diversity is seen as a barrier or opportunity to improving their business strategy.

METHOD

The purpose of interviewing was 'to understand the life worlds of respondents', notably the details about their roles and the environment in which they are professionally involved (Bauer and Gaskell, 2000). It had been said that the interview is one of the most commonly used methodological techniques (Denzin and Lincoln, 1998) to 'understand the experience of other people and the meanings they make of that experience' (Seidman, 1998). Bauer and Gaskell (2000) noted that interviews also benefit researchers by offering several functions:

“It may be an end in itself, providing a ‘thick description’ of a particular social milieu; it can be used as a basis for generating a framework for further research; it may provide empirical data to test expectations and hypotheses developed out of a particular theoretical perspective”.

Unlike quantitative methods, this qualitative tool requires an interviewer to participate actively in discussing particular topics (Seidman, 1998; also see Daymon and Holloway, 2002). In terms of the size of the sample, Saunders et al. (1997)
argued that the positivistic approach (a quantitative method) needs a large sample of respondents; in contrast, the phenomenological approach (qualitative method) requires a small number of informants. Thus, a series of interviews were conducted with CEOs/senior directors of large corporations, especially public listed companies, who have a view on the real value of public relations. A summary of the interviews that were conducted with CEOs and senior directors, is presented in Table 1, which provides a brief profile of informants to support the reliability and validity of this method.

Between mid-November 2005 and February 2006, the researcher also conducted a series of interviews with CEOs/senior directors of large corporations and/or major clients of public relations services in the Klang Valley who understand the real value of public relations and communication management. In November and December 2005, the researcher reviewed the directory database from the homepage of the Bursa Malaysia. Every public listed company had produced a current annual report. Through the annual report, the researcher reviewed the profile of the board of directors and corporate information such as organisational structure, the latest office address, website, email address and telephone and facsimile numbers. The researcher also reviewed newspapers, newsletters, bulletins and suchlike to find business leaders who have a view of the real value of public relations. Sending emails to a number of PR leaders to find business leaders who have contributed to the PR industry, such as those to whom the Institute of Public Relation Malaysia (IPRM) has awarded the ‘Most PR Savvy CEO’ award, was a part of the strategy in framing the sample of the study. Of the 26 selected business leaders with large corporations and/or major clients of PR services, only ten replied and agreed to be interviewed. Five of them replied but declined for some reason, such as, ‘too busy’ and ‘matter of policy’. Eleven did not respond. All potential informants were contacted through email, telephone and facsimile. The cover letter and the interview schedule were officially sent to their corporate communication managers asking their help to arrange interviews with their bosses/supervisors.

Then, appointments were set up to conduct face-to-face interviews at the informants’ locations.

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1 Note: between mid-November and December 2005: scheduling appointments, and between January and February 2006: visiting and interviewing informants.

2 Normally, corporate communication managers report directly to CEOs/Chairmen.
Towards International Cultural Diversity Management of Public Relations

Table 1  Interviews – Chief Executive Officers/Senior Directors

<table>
<thead>
<tr>
<th>Corporation</th>
<th>Job Designation</th>
<th>Size of company &amp; Sector</th>
<th>Year listed in Bursa Malaysia</th>
<th>Experience in function</th>
<th>Major clients/Supervisors of senior PR staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>Chief Executive Officer</td>
<td>Big/Oil &amp; refinery</td>
<td>1960</td>
<td>21 years</td>
<td>Major Client</td>
</tr>
<tr>
<td>C2</td>
<td>Chief Executive Officer</td>
<td>Big/Waste management</td>
<td>1990</td>
<td>38 years</td>
<td>Major Client</td>
</tr>
<tr>
<td>C3</td>
<td>Chief Executive Officer</td>
<td>Big/Automobile</td>
<td>-</td>
<td>23 years</td>
<td>Major Client</td>
</tr>
<tr>
<td>C4</td>
<td>Chief Executive Officer</td>
<td>Big/Property development</td>
<td>2000</td>
<td>20 years</td>
<td>Major Client</td>
</tr>
<tr>
<td>C5</td>
<td>Chairman</td>
<td>Big/Banking</td>
<td>1967</td>
<td>37 years</td>
<td>‘Supervisor’ of senior PR staff / Major Client</td>
</tr>
<tr>
<td>C6</td>
<td>Chairman</td>
<td>Big/Conglomerates: properties, hotel, plantation and manufacturing</td>
<td>1990</td>
<td>32 years</td>
<td>‘Supervisor’ of senior PR staff</td>
</tr>
<tr>
<td>C7</td>
<td>Chairman</td>
<td>Big/World class/Shipping</td>
<td>-</td>
<td>35 years</td>
<td>‘Supervisor’ of senior PR staff / Major client</td>
</tr>
<tr>
<td>C8</td>
<td>Deputy Chairman</td>
<td>Big/Conglomerate: properties, construction, manufacturing, education, and healthcare</td>
<td>1984</td>
<td>34 years</td>
<td>‘Supervisor’ of senior PR staff / Major Client</td>
</tr>
<tr>
<td>C9</td>
<td>Adviser to Chief Executive Officer</td>
<td>Big/Telecommunication</td>
<td>2002</td>
<td>25 years</td>
<td>‘Supervisor’ of senior PR staff</td>
</tr>
<tr>
<td>C10</td>
<td>Senior General Manager of Legal counsel, Corporate affairs &amp; Facilities management</td>
<td>Big/Oil &amp; refinery</td>
<td>1994</td>
<td>26 years</td>
<td>‘Supervisor’ of senior PR staff / Major Client</td>
</tr>
</tbody>
</table>
The interviews lasted about one to two hours. During the interview, central questions were about the value of public relations, specifically on how multicultural issues may affect their organisational strategy development and the role of their PR managers in handling particular situations. Some probing questions were asked to seek more information and clarify their opinions/expectations. A digital voice recorder was used to record conversations between the interviewer and interviewees after permission was obtained. All data were transferred to computer software, and a digital wave player for the process of transcribing. All valuable inputs were then analysed and interpreted as findings of this study.

**FINDINGS**

Generally, most CEOs/chairmen agreed that public relations is a profession that involves managing stakeholders, especially in an external business environment. It is worth discussing how public relations can contribute substantially to organisations by managing cultural diversity and reducing any complexities that affect business performance.

There was complete agreement among the ten top business leaders interviewed that managing cultural diversity is quite important in determining business success. Malaysia is a multi-ethnic country where multicultural facets can affect organisational strategy development directly and indirectly. It is important to explore the role PR practitioners can play to improve PR business strategy and reduce any complexities in understanding multi-cultural issues among the three major ethnic groups, the Malay, Chinese and Indian, as well as other ethnicities, including expatriates.

The ten top executives disclosed that understanding cultural sensitivity among all ethnic groups is very important in formulating and conducting their business strategy, as all corporations studied are manned by diverse employees, especially in corporate communication departments. The chairman of one of the most dynamic banking institutions remarked that:

“Organisations in Malaysia are born and bred out of multiculturalism. So it comes quite naturally with the corporation being born and bred here to uphold excellent multicultural values. Our employees come from multiethnic backgrounds. The working culture encourages a strong..."
Towards International Cultural Diversity Management of Public Relations

spirit of teamwork, sharing and caring amongst all races. We have a deliberate policy of observing all festive occasions and observance of respect and appreciation of each other’s cultures in the organisation. Observing sensitivities in cross culture communication is part of our communication policy. (Our banking institution) is a colourful organisation indeed”.

They also emphasised that in global business practice, business and multicultural facets cannot be separated, as understanding different cultures may benefit their organisational strategy development. Therefore, managing their business services using a PR strategy which takes account of multicultural sensitivities is vital for business success. Specifically, the chairman of a big shipping company remarked that:

“The approach to PR has to be Malaysian based and one that enhances the harmonious working relationship within and outside the business. For example, our corporation has its musical fusion of featuring Indian, Malay and Chinese in two-minute video clip of a 40-piece band playing various instruments”.

One of their organisational strategies in adapting their business interests to fit the country’s culture and norms is nurturing local PR employees who fully understand the multi-cultural issues in the country in which the organisation invests. The CEO adviser of the leading telecommunications company disclosed that:

“We think diversity will add value to our company. It makes you more prepared and more rounded and more comprehensive. (For example), we wanted to purchase a telecommunications company in India and we are now waiting for an approval from an Indian government. So, we look for a good PR consultancy in India to help us to manage our relationships with regulatory bodies. We wanted to appoint local employees to build our relationships with an Indian government in interest of buying the telecom company. So they understand their own market and can organise it”.

Nurturing local PR employees here is about encouraging global and local firms to employ diverse local employees in order to understand cultural sensitivities such as taboos, religious values, and norms that have been practised over the decades.
in the particular country. This element is aligned with the slogan ‘Think locally, act globally’. The chairman of the main multi-purpose gateway port said ‘to be aware of cultural sensitivity – “Think locally, act globally” but in acceptance of the norms and customs of the locality’. The chairman of one of the top banking institutions remarked that ‘(We need to) promote appreciation of local culture, local brands to the world. (We) have to promote a balance between Western and Eastern values. Contributing to global harmony remains their challenge’. Additionally, ‘we must become a cultural exporter to the other part of the world’, stressed one informant in the oil and refinery business. It is a great challenge for PR practitioners to be cultural diversity experts who can adapt their PR strategy to the country’s cultural values and norms in order to harmonise the relationships between the organisation and its stakeholders. Teambuilding, dialogue sessions and management briefings are several key cultural diversity management tools identified as a result of interviewing one business leader in the service business.

When asked whether the organisation provides a cultural diversity policy that is practised by their diverse employees, five interviewees confirmed that their cultural diversity policy could add value to the harmonisation among different ethnic groups. The CEO of a top global oil company disclosed that:

“We have a written agenda that is called diversity and inclusiveness. We say ‘inclusiveness’ as we value the inputs that our employees contribute. We really value diversity and the different ethnic groups and gender diversity among our employees. Being a multinational company, we must share values as differentiators.”

Business leaders were also asked whether they see any difference in multicultural public relations in the country where they operate their business. They see that every country has a unique multiculturalism but they are all the same in terms of understanding cultural sensitivity, as there is diversity of major races such as Chinese and Indian being employed by global corporations and being located in both Western and Eastern worlds. There is a need for PR practitioners to understand the dominant religions such as Islam, Christianity and Hinduism that are practised all over the world. Importantly, global PR practitioners must play a substantial role in informing and advising top management about cultural issues in the country in which they want to invest. With great concern about cultural
sensitivity with regard to taboos and superstitions, the Chinese believe that their life is influenced by numbers. The CEO of a service corporation disclosed that:

“Being multi-national companies, you must understand any culture in this world. You must be sensitive with cultural issues. (For example), Alpha Romeo launches a car 164, but no ‘4’ is very bad for Chinese (unlucky number). When this new product, a car was brought to Malaysia, China and Taiwan, Chinese won’t buy. The sale didn’t pick up. After the disaster happened, they changed the number to ‘Alpha Romeo 166’. Look! how cultural sensitivity may affect your business. I think competent PR practitioners must consult with their CEOs and senior management teams about this matter. Because they are the one who should know about situational issues within an external environment. That’s why PR becomes very important. CEOs don’t like surprise. The small mistake may result in a big loss”.

Concerning cultural sensitivity in the Muslim world with regard to food/meat production, the chairman of a leading conglomerate company stressed that ‘Halal’ products are very important for Muslim world. We can also market it to non-Muslim as Halal (can be described as) a guarantee “certificate” of health. It is very hygiene indeed’. In this case, he wanted PR practitioners to have a holistic view, especially knowing the facts about the quality of products and services whose values can be shared among different ethnic groups.

In relation to cultural sensitivity in operating their business with respect to the terms/names they use for their products, the CEO of a top automotive corporation remarked that:

“I think that most countries have multicultural issues. Understanding cultural sensitivity is quite important, otherwise, you may offence other parties. For example, when we launch Proton Iswara that is a Hindu term. (The term) ‘iswara’ also means butterfly. It has a great value to our Malaysian people. We also used to sell Proton Saga (the first edition). For Malaysian people, ‘saga’ is a type of fruit which is red and bright. But when we export our cars to Europe, we cannot use

3Halal is an Arabic word which means permitted and lawful (Hawkins, 1997). Halal means that the food must be free from pork and alcohol. Meat must be slaughtered in the manner prescribed by the shari’a (Irfan, 2002).
Proton Saga because ‘saga’ has bad connotation for European culture. Then, we used Proton Persona, because ‘persona’ is about impression or personality. We are always concerned about cultural diversity when doing business in a particular country. I think it is PR responsibility to do research and consult with us about this matter”.

Cultural sensitivity is also considered in creating their company’s brand statement. As a company with a ‘human touch’, the senior general manager of a petroleum organisation emphasised that:

“I see a human entity has a universal value. It cuts all culture or religious issues. Our brand statement essence: ‘Energy receive and energy return – aspiring people everywhere’. So, based on our brand statement, when we do business in other countries like Sudan or Europe, we always bound to this statement. As a national company, we are part of Malaysian society. We touch the heart of other people. So, it is a part of our responsibilities to protect our own heritage and culture. In Sudan, the main problems are education, health, and hygiene. This country is left far behind. In Vietnam, it is about the same things. (Therefore), it is our role to inject the education and capacity building”.

Six informants interviewed also voiced their concern about the lack of understanding about cultural sensitivity among Western expatriates, including PR expatriates, who operate their business in a multi-cultural country like Malaysia. Informants expected that a greater understanding about cultural diversity would be a key to relationship management between global corporations and their stakeholders all around the world. The deputy chairman of a leading conglomerate organisation remarked that:

“Many years ago, I was asked to attend some professional courses. It was held by London Worldwide almost every year. They have 300 senior officers from all over the world. But they wanted to do one managerial course over Eid al-Fitr (a major Islamic festival) dates. In Malaysia and the Middle East, we have been celebrating Eid al-Fitr for more than hundred years. I was upset because they didn’t consider Eid al-Fitr celebration is very important for Muslim delegates. There were many senior officers from Malaysia, Jordan, Arab Saudi and Indonesia attended the courses as well. To me, they didn’t really sensitive to others’ cultures. Then, they realise that they should not have courses during
Towards International Cultural Diversity Management of Public Relations

"religious celebration. Now it has been better and people are more aware of it.”

From the point of view of business leaders, the importance of cultural diversity management is a crucial and significant part of global public relations practice.

THE IMPORTANCE OF CULTURAL DIVERSITY

The main objective of this study was to establish whether cultural diversity has a significant effect on practising PR business strategy in a multicultural environment. The results of this study disclosed that in the global picture, where public relations is practised by various ethnic groups from Eastern and Western worlds, cultural sensitivity is central to good PR practice. Cultural diversity should not be seen as a barrier to business performance but should be recognised as an opportunity for organisations to develop better relationships with their stakeholders. As mentioned earlier, the role and functions of public relations have a strategic external function, and mastering knowledge of cultural diversity opens a new window of expertise for PR practitioners. Thus, PR practitioners act as cultural exporters and should be able to adapt their work to different structures of environments, which would definitely add value to the expertise of PR practitioners.

Specifically, drawing from the evidence in this research, almost all business leaders noted the importance of Malaysian organisational cultures and local norms in their practice. All of them agreed that mastering English as a global language of commerce is an essential skill for competent PR practitioners, but they did not deny that the Malay language needs to be used to maintain the identity of Malaysia. Indeed, Malaysian PR practitioners and PR expatriates should be more sensitive to the local norms and organisational cultures in order to yield a favourable relationship between an organisation and its environment. In a multicultural country, understanding diversity management and cultural values may increase the productivity of an organisation and also create harmonization between an organisation and the local society, especially in Malaysia among the three main races, Malay, Chinese and Indian.

Indeed, cultural diversity here is seen as a universal concept, as every country has different religious and tribal groups. Public relations has been practised
according to various ethnic groups with different religions and tribes. Thus, building mutual relationships between organisations and external stakeholders requires an understanding of cultural differences to reduce any complexities that may affect business performance.

CONCLUSION

In respecting cultural diversity, understanding cultural differences is vital for diverse PR practitioners. There is a need to develop a cultural diversity policy and case studies describing how multicultural issues may affect PR business strategy and organisational strategy development. In respect of the richness of multiculturalism in a multicultural country such as Malaysia, there is a great scope for Western and Asian companies to learn from each other.

REFERENCES


Towards International Cultural Diversity Management of Public Relations


