

THE EFFECT OF CULTURE AND LANGUAGE ON ORGANIZATIONAL INFORMATION PROCESSING

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ABSTRACT

The growth of global business has caused many businesses to seek channel members in various countries around the world. Establishing a functional working relationship with new channel members is a difficult process even when there is a shared language and culture between the potential channel members. When entering into a channel relationship with a new channel member with different languages, social cultures, and business cultures the process is even more difficult.

This paper introduces organizational information processing as the primary method used by channel members to establish a working relationship. This paper develops the notion that channel members go through 4 different stages within their relationship. Specifically the organization progresses from piece-meal processing to category-based processing. In addition, a "desired" state within the relationship is hypothesized to exist. This desired state is achieved after each organization has processed sufficient information about the other channel member such that each organization has a well established schema relative to the other channel member. As was mentioned earlier, it is difficult enough to reach this desired state, but is complicated even more when dealing with channel members with different languages, cultures etc.. This difficulty in processing information from and about the new partner prohibits the organization from progressing to the desired state of information processing at the organizational level. This paper presents a model for the progress of the flow of information and the use of local nationals and expatriates in the pursuit of category-based information processing at the organizational level.

It is hypothesized that the initial use of local nationals will accelerate understanding and, hence, the move from piece-meal to category-based processing of information between the boundary personnel. The faster the boundary personnel move to category-based processing of information, the sooner the boundary personnel can assist the organization in moving toward category-based information processing. The desired state of organizational category-based information processing will be best served by the use of an expatriate as the boundary personnel. Determining whether to use a local national or an expatriate in the two levels between the initial and desired states of information processing becomes a series of trade-offs. Specifically, it is necessary for boundary personnel to understand the corporate culture of the organization they represent so that they can evaluate the new channel member based on the criteria that are important to the organization. This level of understanding is most likely to be possessed by an expatriate. However, the expatriate is hypothesized to be less effective than a local national in understanding the language, social culture, and business culture of the new channel member. This paper explains in detail the seriousness of these trade-offs, and offers insight into how to increase the probability that the relationship will progress to the desired state.

It is only through the judicious combination of local nationals and expatriates that an organization can achieve confidence and alacrity in the use of category-based information processing from which all personnel of the organization can correctly base decisions and actions with regard to their partner firm.