CORPORATE-CULTURAL ADAPTATION IN INTERNATIONAL PUBLIC RELATIONS

by

Radu Dumitrașcu
A Thesis
Submitted to the
Graduate Faculty
of
George Mason University
in Partial Fulfillment of
The Requirements for the Degree
of
Master of Arts
Communication

Committee:  

Director

Department Chairperson

Dean, College of Humanities and Social Sciences

Date:  May 2, 2008

Spring Semester 2008
George Mason University
Fairfax, VA
Corporate-Adaptation in International Public Relations

A thesis submitted in partial fulfillment of the requirements for the degree of Master of Arts at George Mason University

By

Radu Dumitrașcu
Bachelor of Arts
University of Bucharest, 2005

Director: Tim Gibson, Professor
Department of Communication

Spring Semester 2008
George Mason University
Fairfax, VA
Copyright: 2008 Radu Dumitrașcu
All Rights Reserved
# TABLE OF CONTENTS

| Abstract | .......................................................................................................................... | IV  |
| INTRODUCTION | .................................................................................................................... | 1  |
| Chapter 1: Towards a New Model of Corporate-cultural Adaptation | ........................................................................................................ | 9  |
| Kim’s Cultural Adaptation | ........................................................................................................ | 9  |
| *Enculturation, Deculturation, Acculturation* | ....................................................................................... | 12 |
| *Cultural Adaptation from a MNC’s Perspective* | ................................................................................. | 17 |
| Ethnocentrism | ................................................................................................................... | 19 |
| *Ethnocentrism and Interpersonal Communication* | ...................................................................... | 21 |
| *A Developmental Model of Intercultural Sensitivity* | ....................................................................... | 22 |
| Grand Strategies of an Organization | .......................................................................................... | 26 |
| A New model of Corporate-Cultural Adaptation | ........................................................................ | 32 |
| Chapter 2: A Case Study Approach | ................................................................................ | 37 |
| Approaches in International Public Relations | ...................................................................... | 37 |
| The Denying/intransient Approach | ................................................................................ | 37 |
| The Minimizing/resistant Approach | ............................................................................... | 41 |
| The Minimizing/cooperative Approach | ............................................................................ | 46 |
| The Adaptive/cooperative Approach | ............................................................................... | 50 |
| The Integrative Approach | ............................................................................................ | 54 |
| CONCLUSIONS | .................................................................................................................. | 57 |
| *Organizational change* | .............................................................................................. | 59 |
| *Cultural differences and worldviews* | ........................................................................ | 60 |
| *Communication* | ........................................................................................................ | 62 |
| *Limitations* | ................................................................................................................ | 62 |
| *Further directions for research* | ................................................................................ | 63 |
| List of References | ........................................................................................................... | 59 |
ABSTRACT

CORPORATE-CULTURAL ADAPTATION IN INTERNATIONAL PUBLIC RELATIONS

Radu Dumitrașcu, MA
George Mason University, 2008
Thesis Director: Tim Gibson

The way in which international public relations (IPR) are conducted has become a crucial aspect in the life of organizations that engage in international trade. This study explores corporate-cultural adaptation by looking at how multinational corporations engage in international communication efforts. The study draws from intercultural communication and public relations theory in order to develop a new original model of corporate-cultural adaptation. The specific theories the new model is built on are Kim’s cultural adaptation theory, Bennett’s developmental model of intercultural sensitivity and Botan’s grand strategies model. The new model, supported by available case studies in the IPR literature, advances five approaches in international public relations: the denying/intransigent, the minimizing/resistant, the minimizing/cooperative, the adaptive/cooperative and the integrative approach. Limitations and further directions for research will be discussed.
INTRODUCTION

The way in which international public relations (IPR) are conducted has become a crucial aspect in the life of organizations that engage in international trade. Sriramesh (2002, p. XXV) even questions the existence of domestic public relations given the ongoing globalization of international commerce. He argues that in the new millennium having a global and multicultural perspective of public relations will be a necessity. Traditional public relations will become international public relations. Following this reasoning, traditional communication will become—if it has not already been for some time—intercultural communication. The march of globalization thus indicates the need of linking international public relations to intercultural communication. Certain concepts, constructs and theories from cross-cultural communication can potentially become valuable in international public relations. This thesis explores, through an extended theoretical discussion, the extent to which we can use and apply theories from cross-cultural and intercultural communication, relatively new branches of the field of communication, to the theory and practice of international public relations, a sub-division of yet another relatively new field of applied communication. In the U.S. intercultural communication is defined by communication between members of different co-cultures while cross-cultural communication defines the communication between individuals that belong to different
nation-cultures. Throughout this study the term intercultural communication will be used with its wider meaning, which encompasses cross-cultural communication.

Although the available international public relations literature offers a wealth of information regarding the practice of international public relations—including many case studies as well as trade and scholarly articles—theories that would offer a deeper understanding of the processes in international public relations are scarce. In short, as many scholars have noted, the lack of connection between intercultural communication theory and international public relations is one of the important challenges facing the field of public relations more broadly. For example, Botan and Hazleton (2006), surveying the nearly thirty years that had passed between editions of their influential anthology on public relations theory, argue that one of the key challenges of the public relation field in the new millennium is the development of new additional theories of public relations. In particular, they predict that the new developments in public relations will need to be more “international and intercultural in its assumptions, audiences and challenges” (p.13).

For their part, Grunig, Grunig and Dozier (2006,) also note a soft spot in the existing international public relations literature. In particular, the authors note that the IPR literature is still, at this early stage, mostly descriptive rather than theoretical. Accordingly, they propose that “rather than continuing to conduct purely positive research on how public relations is practiced in different countries, scholars should construct a normative theory of excellent global public relations” (p. 57). Normative theory is important for theory building because it has the role of identifying the most
effective practices in international public relations (Grunig, Grunig & Dozier, 2006). This study addresses this concern as well.

Finally, according to Bardhan and Patwardhan (2004), the rise of multinational corporations (MNC) and the ongoing globalization of economic and cultural practices have posed an important challenge to the still-developing field of international public relations. We have reached, the authors argue, the point where practice has far outpaced theory. While trying to identify relevant pieces of research in IPR, many articles that Molleda and Laskin (2005) identified and analyzed in their own exhaustive study of the state of international public relations research were included in the review. In some ways, Molleda and Laskin’s study represents a census of the IPR research. These 236 academic journals, 244 trade articles, and 169 book chapters, including 24 chapters from the Institute for Public Relations represent most of the research published in IPR in the last 25 years. Although not all articles were relevant for this study, many articles and chapters that present data about multinational corporations doing PR overseas were chosen as the literature base for this thesis (see especially, Botan, 1992; Bardhan & Patwardhan, 2004; Chen, 2004; Hung, 2004; Coombs, Holladay, Hasenaur & Signitzer, 1994; Culbertson & Chen, 1996; Ekachai, 1995; Molleda, 2000; Molleda & Athaydes, 2003; Moss & DeSanto, 2002; Parkinson & Ekachai, 2006; Ruler & Vercie, 2004; Sriramesh, 2002; Sriramesh, Grunig & Dozier, 1996; Sriramesh & Vercie, 2001; Sriramesh & Vercie, 2003; Turk & Scanlan, 1999; Turk & Scanlan, 2004) In addition, the practitioner’s view of this issue was included, by capturing the point of view of a PR specialist working in a global public relations agency.
The conclusions of the review were consistent with the conclusions of Molleida and Laskin (2005) and Bardhan and Patwardhan (2004). First, few articles focus on theory development in IPR (for exceptions see Botan, 1992; Botan & Taylor, 2004; Choi & Cameron, 2005; Grunig, 1992; Grunig, Grunig, Sriramesh, Huang & Lyra, 1995; Sriramesh, Grunig & Dozier, 1996; Taylor, 2000; Taylor, 2001; Yu, Taylor & Chen, 2001; Vercic, Grunig & Grunig 1996;) and even fewer attempt to develop theory specifically orientated towards the MNCs’ practice of IPR. This thesis focuses solely on MNCs and their communication efforts while analyzing the corporate-cultural adaptation process. The ethnocentric/polycentric model proposed by Botan (1992) which refers to MNCs, although picked up and used by several scholars, still presents potential for exploration. Botan discusses the ethnocentric/polycentric model in international public relations and advances the idea that this model represents a continuum, having ethnocentrism and polycentrism at the two ends of the continuum. This thesis tries to enrich this model by offering a more nuanced and developed explanation of this continuum of ethnocentrism.

Second, much of the literature is not truly international, but instead it focuses on nation state-based public relations. Such examples include descriptions of certain practices in a country, descriptions of the environment or of audiences (Coldwell, 2003; L’Etang, 2003; Chai-Nemeth, 2001). Third, very little empirical or theoretical work exists about the practices of MNCs—and those that do (see especially, Culbertson & Chen, 1996; Ruler & Vercic, 2004; Moss & DeSanto, 2002; Parkinson & Ekachai, 2006; Sriramesh & Vercic, 2003; Turk & Scanlan, 1999; Turk & Scanlan, 2004) typically offer
a descriptive analysis from a largely American or Western-centric perspective. While these case studies are of immense value, they tend do not contribute to the building of theory by trying to identify patterns and models of IPR.

Finally, on the relatively few occasions when international public relations engages intercultural communication theory, authors most often employ Hofstede's cultural dimensions as the framework for analysis (Bardhan & Patwardhan, 2004; Chung, 2004; Fletcher & Melewar, 2001). While Hofstede’s cultural dimensions of power distance, collectivism, masculinity-femininity, uncertainty avoidance and long-term orientation facilitated great advancement of knowledge, the IPR filed’s long term enthusiasm for Hofstede has had the unfortunate effect of obscuring more recent and more promising work in the intercultural field.

As a result, this thesis is a small attempt to contribute to theory-building—particularly normative theory-building—in the field of international public relations, primarily by incorporating the insights of more recent developments in intercultural communication theory. In particular, this thesis will draw on both of these research literatures to analyze the process of cultural adaptation that multinational corporations go through when conducting activity overseas, with a particular focus on the role ethnocentrism plays in the international communication strategies of global firms.

Statement of Purpose

Gudykunst (2005) has argued that culture can be integrated in communication theories in three ways (p. 3). The first way is integrating the concept of culture into the
communication process. The second way is describing or explaining how communication varies across cultures and the third way is describing or explaining communication between exponents of different cultures. This thesis follows the first approach; the concept of culture will be integrated into the communication process in order to identify the patterns of cultural adaptation of MNCs doing public relations overseas. In particular, by looking at how culture is integrated in the communication process, this thesis will develop an original model of cultural adaptation in international public relations in order to provide a more nuanced understanding of how MNCs can, and should, adapt to new cultural systems. In the end, my hope is that this model will offer public relations practitioners the capability to better predict the outcomes of their international initiatives. This thesis has also a secondary purpose: to contribute to the development of communication theory more broadly by integrating theoretical models across two important fields within the discipline - international public relations and intercultural communication. Gudykunst (2005) argues that the intercultural theory has registered an immense progress in the past 20 years with the developments of many new theoretical perspectives. Making links between these exciting developments in intercultural communication theory and other communication subfields is thus, following Gudykunst, crucial to the wider development of the field of communication.

To this end, chapter 1 will discuss three main components of my proposed model of corporate-cultural adaptation: the theory of cultural adaptation (from an individual perspective), the concept of ethnocentrism, and Botan’s concept of organizational grand strategies. First, I will present Kim’s cultural adaptation theory and discuss the extent to
which this theory can be relevant to the practice of IPR. Second, the concept of ethnocentrism will be discussed, with a particular focus on how ethnocentrism manifests in people’s behaviors and actions. Special attention will be given to Bennett’s developmental model of cultural sensitivity. Third, drawing on Crable and Vibbert (1985) and Botan (2006), this chapter will discuss how an organization’s grand strategy—that is, the way that it conceives of its relationship to key publics—interacts in profound ways with issues of adaptation and ethnocentrism. Chapter 1 will end with the proposed model of corporate-cultural adaptation. Developed out of a synthesis of Bennett’s model of cultural sensitivity and Botan’s discussion of grand strategies, this model offers a theoretical description of the five possible adaptation outcomes available to MNCs conducting public relations across cultural boundaries.

Chapter 2 will draw upon the IPR case study literature in order to explore how this model is reflected in existing case studies. By reviewing these case studies, I hope to demonstrate the utility of the typology as a means for analyzing and evaluating international public relations efforts. Chapter 3 will present the conclusions of this study, review the limitations of this model, and discuss how the model might help inform future research in international public relations.

To build this model of corporate-cultural adaptation, this thesis offers a creative synthesis of theoretical frameworks in international public relations and intercultural communication that have, in the main, existed in isolation from one another. The model itself will emerge through synthesis of these positions. In addition, to illustrate the utility of this model of corporate-cultural adaptation, this thesis draws upon specific case studies that
have appeared both in the scholarly publications devoted to the field of international public relations. In the end, it is my hope that this model will be of value to practitioners who wish to better understand how MNCs may (or may not) adapt successfully to new cultural environments, as well as to future researchers who, I hope, can use the model as a starting point for future empirical research and theory-building.
CHAPTER 1: TOWARDS A NEW MODEL OF CORPORATE-CULTURAL ADAPTATION

In this chapter, I discuss three main components of my proposed model of corporate-cultural adaptation: the theory of cultural adaptation (from an individual perspective), the concept of ethnocentrism, and Botan’s concept of organizational grand strategies. Each of these theoretical frameworks will then inform a new model that describes the five possible adaptation outcomes available to MNCs conducting public relations across cultural boundaries.

This chapter therefore begins with a discussion of Kim’s model of cultural adaptation from an individual’s perspective. The model is of particular value and relevance for this thesis as it explains how individuals suffer transformations while adapting to a new culture, becoming cultural insiders from cultural outsiders. Applying these insights to the adaptation of organizations to new cultural environments will occupy the remainder of the chapter.

Kim’s Cultural Adaptation Model

According to Kim and Gudykunst (1988), cultural adaptation is an individual’s long-term process of adjusting to and finally feeling comfortable in a new environment. Cultural adaptation is a phenomenon common for immigrants who enter a culture,
voluntarily or involuntarily, and need, or decide at some point to adapt to the cultural context in a positive way. Cultural adaptation from an MNC’s perspective is the process of adjusting, feeling comfortable and having normal relations with the host culture’s publics. This process is a phenomenon common among multi-national corporations that expand the areas in which they do business, by entering new markets in foreign countries.

Kim (2001) describes her effort of articulating a theory regarding cross-cultural adaptation as a way to describe how resettlers change from being “cultural outsiders” into “active and effective cultural insiders” (p. 10). While Kim is trying to explain how an individual becomes a cultural insider, this study attempts to explain how a MNC can become a cultural insider and describe the process of transformation that it experiences. When talking about possible outcomes of adaptation, Kim (2001) argues that no immigrant or sojourner can become completely assimilated regardless of his/her efforts (p.25). Conversely, this study, too, argues that an MNC cannot become completely assimilated. Moreover, this outcome may not even be a desirable one.

Although the cross cultural literature is diverse, Kim addresses some dimensions that are relevant for this study. First, Kim’s model tries to integrate both short-term and long-term adaptation processes. In addition to this, Kim sees cultural adaptation in the context of new learning and psychological growth. These two aspects are relevant for MNC’s because while doing public relations overseas and trying to become a cultural insider, an MNC goes through a process of learning as well as growth. Lastly, Kim’s model tries to address the assimilationist and pluralist concerns regarding the process: the assimilationist concern concentrates on the adaptive changes; the pluralist approach
focused on the maintenance of ethnicity and ethnic identity. Although in the cross
cultural literature these two approaches are guided by ideological assumptions, this study
accepts both views and takes them into consideration. However, this thesis does not pay
special attention to the ideological debate since in the case of MNCs the circumstances
are different than in the case of human sojourners and immigrants.

Kim’s model has three basic assumptions. In the following sections and chapters
of this study we will explore to what extent these principles apply to organizations such
as MNCs. The first assumption is that people have a drive and capacity to adapt to
environmental changes. Organizations on the other hand may manifest more rigidity and
less responsiveness to environmental changes, due to their structure and guiding
mechanisms. In this study I will explore how adaptation occurs by looking at case
studies. The second assumption Kim bases her model on is the fact that individuals adapt
to different environments through communication. Organizations also adapt through
communication by using two-way communication, a complex process that supports the
building of relationships. The last assumption Kim makes is that adaptation is a complex
and dynamic process which transforms the individual. This happens due to the “give-and-
take of communication” (p. 37) that takes place continuously. As this study will further
show, this continuous exchange of communication shapes the life of an organization as
well as its identity. Just like individuals, MNCs will “strive to meet environmental
changes and to maintain themselves” (p. 37).

Adaptation is fundamental to human existence, Kim argues (2001) and this holds
ture to MNCs as well: in order for them to stay active and be successful, they have to
adapt. Kim argues that an individual changes due to continuous interactions with the new cultural environment. The individual integrates culturally acceptable concepts, attitudes, and actions in order to fit into the new environment and around the new people (Kim, 2001, p. 47). While communicating with the new environment and new publics, an MNC must internalize attitudes and values that are acceptable for the culture where the MNC operates. Kim calls this process enculturation: the continuous process of learning that takes place through communication with the purpose of obtaining cultural membership. Kim also mentions “maladaptation” (p. 48) which reflects a mismatch between the individual’s internal world and the external milieu.

*Enculturation, deculturation and acculturation*

Kim (2001) argues that individuals going through acculturation and deculturation experience old cultural habits being replaced by new cultural habits, resulting into the acquisition of proficiency of self-expression and the fulfillment of social needs. Becoming proficient in self-expression is essential for a MNC which tries to communicate with its publics. Kim argues that having a desire to adapt is not always necessary, and that any individual would acquire some level of adaptation after a certain period of time.

Kim (1977, 1995, 2000) suggests that adaptation is a process that involves stress, adjustment and growth. Individuals experience the stress of not fitting in with the environment therefore they adjust. The model states that adaptation occurs through communication. Migrants communicate when in a strange context and that is how they
learn how to think and behave. According to Kim (2001), entering a culture can be in many ways similar to the enculturation process, where an individual learns every social behavior and integrates concepts, attitudes, and actions. While adapting culturally, an individual goes through concomitant processes of acculturation and deculturation, with the possible outcome of assimilation. Acculturation means acquiring the native cultural practices, from food to attire, behavioral norms and cultural values. The process of deculturation means losing something from the culture that was internalized prior to the cultural adaptation. Kim states that this process is necessary because individuals need the validation of their environment, which we can extrapolate in the case of MNCs, who need to be validated in order to be successful. In order to function properly, an organization has to be validated by the environment where it functions. The environment in this situation includes publics as well. In addition to this, Kim argues that the validation should be ongoing, which again can apply to MNC's as well, who are continuously validated by publics.

Kim talks about three facets of the intercultural transformation that happen through acquiring communication competence: functional fitness, psychological health, and the movement from an original culture to a broader intercultural identity. Before we do that, these constructs have to be explained and the extent to which they apply to MNCs must be discussed. According to Kim (2001, p. 48) communication competence is made up by cognitive, affective and operational or behavioral factors by which individuals guide themselves in the environment they are in. Communication competence is closely related to two other important aspects: functional fitness and psychological
health. Kim argues that an individual’s social existence is linked to that of the community; therefore the individual has to internalize cultural programs through communication. This way they will be perceived as normal individuals. The same applies to MNCs: they have to internalize cultural programs in order to be able to become “cultural insiders” and therefore be perceived by their publics as normal players in the market. In addition to this, while internalizing these cultural programs, an individual develops his/her cultural identity. As individuals internalize new worldviews, norms and beliefs their identity moves from cultural to intercultural. Kim remarks (2001) that these cultural imprints are somewhat subconscious, as they become questioned and challenged when the individual is in a different cultural environment. MNCs in many cases have the same cultural imprints which are frequently unchallenged, however in their situation higher economical stakes are at risk, therefore adaptation becomes a complex phenomenon.

Although we have made several parallels between individual adaptation and MNC adaptation we acknowledge the fact that the two elements being compared are extremely different, with different dynamics, guiding principles and flexibilities. Kim puts learning to the core of the acculturation process. Simultaneously with the process of learning another process takes place, a process of substitution, called deculturation, which means loosing some of the old internal assumptions.

In the case of individuals, Kim talks about assimilation as the ideal case. In the case of MNCs’ assimilation is really an impossible or most likely undesirable outcome, however the development of an intercultural identity with several cultural frameworks
may be an outcome more suitable and with positive effects in the life of a MNC. Kim talks about the adaptation process as a necessary step due to the fact that cultural outsiders often have no power to change the environment and they have to adjust, as opposed to natives who usually have more power to change the environment. This is where adaptation becomes a stressful process, where the individual has to find the balance and the harmony between retaining the old customs and old identity and the desire of adopting new ways. In some cases, even cultural outsiders like MNCs can exercise pressure over governments without adapting to the new cultural system. As in the Shell case, which will be discussed in the following chapter, companies can even ally themselves with corrupt governments, but as indicated in the previous analysis, when this happens in the detriment of the native population, sooner or later news will spread internationally and the harmful agents will be sanctioned.

According to Kim these tensions are created by the two processes of enculturation: acculturation and deculturation. MNCs find themselves in front of the same dilemmas; however their decision may be taken at a more conscious level, as part of the grand strategy of the organization. Kim argues that for individuals all these processes and experience lead to growth.

For Kim (2001) developing functional fitness is linked with the development of the ability to communicate in accordance with the local cultural norms. From an individual perspective, functional fitness means being able to successfully carry out daily activities. This definition allows an extrapolation to the case of MNCs, who have to achieve the same functional fitness in order to effectively carry daily activities.
Kim argues that psychological health is directly related to both communication competence and functional fitness. Not being able to carry out daily activities leads to psychological stress. The same applies to MNCs. Not having a relative rate of success in its activity, an organization may be split apart as various factions struggle over what to do and who is to blame.

Kim’s model is related to Berry’s model (1990) and his proposed varieties of acculturation. Berry develops four possible outcomes by looking at adaptation through two criteria: 1) is it of value to maintain cultural identity and cultural characteristics? and 2) is it of value to maintain relationships with other groups? The outcomes are: marginalization (no maintenance of cultural identity and characteristics, no relationships with other groups), separation (maintenance of cultural identity and characteristics, no relationships with other groups), integration (maintenance of cultural identity and characteristics, relationships with other groups) and assimilation (no maintenance of cultural identity and characteristics, relationships with other groups). Berry’s model evolves around the individual’s desire to hold on to his/her cultural values or adopt the cultural values of the host culture.

Although Kim talks about a great number of factors that can affect adaptation, they lose their relevance in this present study due to the impossibility of extrapolating to the case of MNCs. However the core ideas and the core processes of enculturation, acculturation and deculturation hold a certain value which will be explained in the following analyses. The three facets of the adaptation process, functional fitness, psychological health and intercultural identity also seem to hold value for this study. Kim
discusses a number of variables which seem to have an influence over the adaptation process, and the model gains complexity: ethnic communication, strength of ethnic group, and preparedness. These elements apply only at the individual level. However for the present study, the core ideas and premises seem to indicate a certain direction, the rest has to be adapted only to the case of MNCs and therefore create a new model of adaptation that holds true to organizations.

*Cultural adaptation from a MNC’s perspective*

So far I have advanced the idea that multinational corporations move through a process of cultural adaptation that resembles in important ways the processes Kim identifies at the individual level. The following sections will build upon this insight by discussing the role ethnocentrism and an organization’s “grand strategy” might play in either speeding or delaying the process of cultural adaptation. First, ethnocentrism will be discussed as a construct mostly associated with intercultural communication but that can also find its role in international communication. For MNCs ethnocentrism becomes especially relevant. Ethnocentrism is created by a difference in worldviews and an assumption that the values and norms projected from one’s culture are the correct ones when comparing them to other values and norms and different worldviews projected from a different culture. Next, I will also discuss the grand strategies of an organization, which, similarly to ethnocentrism, are based on the worldviews of an organization and its attitudes towards change, publics and communication. In the end, I will argue that these two independent models (ethnocentrism and grand strategy) overlap and intertwine as
they study the same mechanism of adaptation, this time from an organizational perspective.

So how do all these come together in terms of MNCs and their cultural adaptation processes? First, as I will show in Chapter 2, MNCs manifesting ethnocentrism and a hostility to change deal with poor functional fitness, translating into economic failure, bad reputation or even scandals and disappearance (i.e., Shell, Union Carbide). MNCs that do not adapt to issues; MNCs that do not show sensitivity, pluralism and empathy in their communication approaches are prone to failure. This depends on the grand strategy of an organization (which, as I shall discuss, more often than not indicates the degree of ethnocentrism as well). So more adaptive and less ethnocentric organizations have higher chances of becoming cultural insiders, which ensures functional fitness (they can carry their normal economic activities successfully) and psychological health (they are in good shape, with fewer disruptions, tense situations and internal struggles). Like any individual, organizations are to some degree ethnocentric and this plays a role in the organizational adaptation process in both cases.

For a MNC, adaptation means communicating effectively and this is supported many times by common worldviews with those of the host culture. MNCs have to listen to the public conversation in the host culture, listen to what the norms and values of those people are, and what concerns they have, what interests them. A MNC has to adapt its agenda to all these aspects so it can achieve the status of a cultural insider and this happens through the process of acculturation. These newly learnt worldviews then have to manifest themselves both at the tactical level (as occurred when Coca-Cola, after
recognizing the low literacy levels in parts of Egypt, used truck drivers to disseminate information) but also at a strategic level (e.g., by paying attention to religious beliefs and prominent religious figures who have authority and are credible in order to persuade a public). Simultaneously, a MNC has to loose some of the values, norms, worldviews and assumptions it had prior to the entrance in the new culture. These two simultaneous processes are key to adaptation and they are influenced by the degree of ethnocentrism an organization manifests as well as its guiding grand strategy, the policies and decisions it makes.

Ethnocentrism

This section explores ethnocentrism. First I will assess the extent to which it has been used in the public relations literature, and then other bodies of literature that explain ethnocentrism from an individual’s perspective will be identified. Further on, this literature will be discussed along with its relevance for IPR.

This study argues for the importance of ethnocentrism in IPR and the role it plays in the adaptation of MNCs to new cultural environments. While some studies accept ethnocentrism as an important variable in IPR (Botan, 1992; Choi & Cameron, 2005; Patwardhan & Bardhan, 2006), few have explored the role of organizational ethnocentrism in depth. For his part, Botan (1992) suggests that ethnocentrism is a continuum; however, this important insight is not developed further. In particular, this section will draw upon Bennett’s (1993) developmental model of ethnocentrism—a model that, in my judgment, has not yet been incorporated sufficiently into the IPR literature.
Botan (1992) argues that the international practice of public relations might be better called trans-border public relations since often trans-border public relation practices are controlled and directed by the home country of the organization. International public relations and trans-border public relations have one thing in common, intercultural communication. In most cases, when an organization from one country conducts public relations in another country, the communication will be intercultural.

According to Botan (1992) multinational organizations can situate themselves between two poles of a continuum of ethnocentricity, varying from the ethnocentric approach to the polycentric model. In practice, however, firms are likely to practice a mixture of approaches. Kinzar and Bohn (1985) characterize the ethnocentric model by the following practices: the activities overseas are directed by the corporation’s home country headquarters and they are closely supervised by an expatriated manager. The flaws of this model are the slow response and the inappropriateness of the public relations activities as they would probably reflect the norms of the home country’s audiences. In this type of approach, the home country nationals will be considered the experts, therefore the suggestions coming from the host country’s employees would probably be overlooked and not taken into consideration. The advantage of this model is the high degree of control exercised by company headquarters.

The second approach is the polycentric model, which is characterized by a lesser degree of control and a higher degree of autonomy of the organization in the host country. Botan (1992) explains that this model relies more on PR practitioners in the host country,
their expertise, and their contacts. A flaw of this approach might be the lack of coordination between the divisions of the multi-national corporation.

This continuum between ethno- and polycentric approaches was first proposed by Kinzar and Bohn (1985) and developed by Botan (1992). Since then, the practice of international PR has diversified and the model requires further elaboration. This said, although the model requires elaboration, the particular importance the work of these scholars has is the fact that it acknowledges ethnocentrism as an important variable in international public relations. In a more globalized world where intercultural encounters are a given, the role of ethnocentrism and cultural adaptation in public relations should be further developed. This thesis argues that ethnocentrism remains a key variable in international public relations; furthermore ethnocentrism plays a very important role in the cultural adaptation process of a MNC.

*Ethnocentrism and interpersonal communication*

Scholars consider ethnocentrism as being a key variable in any intercultural communication exchange. Neuliep and McCroskey (2001), writing from the perspective of interpersonal communication theory, argue that all intercultural exchanges are charged with ethnocentrism, to a greater or lesser degree. Yet it seems clear that ethnocentrism plays an important part in intercultural communication. Although ethnocentrism has been explained and elaborated in the interpersonal communication literature, the construct is used sparingly in international public relations as shown earlier. The extrapolation of the construct from the interpersonal level to the international public relations is possible due to
the human component that exists in both types of communication and also because communication, regardless of the level that it takes place at, still follows the same rules and has the same components. If interpersonal intercultural communication deals with communication between two or more individuals coming from different cultures, IPR refers to communication between an organization and groups of people coming from different cultures. Organizations are however made of individuals, so the same principles of interpersonal communication would apply to some extent to inter-group communication.

With this in mind, Neuliep and McCroskey (1997) state that ethnocentrism should be viewed on a continuum and that all individuals are ethnocentric to some extent; therefore, one should expect that international public relations will differ in the degree of ethnocentrism as well. In this section I will therefore discuss and develop the concept of ethnocentrism, with the ultimate aim of using it and its different stages as a means to develop a model of cultural adaptation in international public relations.

_A developmental model of intercultural sensitivity_

In his model, Bennett (1993, p. 22) defines intercultural sensitivity according to stages of personal growth. According to his model, an individual can present increasing sophistication when dealing with cultural difference. For Bennett a key term is differentiation: first people differentiate phenomena in a variety of ways and secondly cultures differ fundamentally from one another in their worldviews. The second kind of difference can be crucial in international public relations: when worldviews differ communication can easily become ineffective. As individuals we interpret reality based
on the worldviews projected from our own culture. However worldviews differ across cultural boundaries, and while a communication campaign might be interpreted in a certain way in the US, the same campaign might be perceived and interpreted in a different way in China.

Bennett goes on and identifies six stages of ethnocentrism: denial, defense, minimization, acceptance, adaptation and finally integration. Before explaining the stages Bennett explains what ethnocentrism is. This study adopts his definition as in this way it can be extrapolated to the field of international public relations. Ethnocentrism therefore is “assuming that the worldview of one’s own culture is central to all reality” (Bennett, 1993, p. 30). Later on this study will argue that ethnocentrism plays an important part in the cultural adaptation of a multi-national corporation doing public relations overseas.

Bennett (1993, p. 30) calls denial the “purest form of ethnocentrism” explaining that a person who is in this stage would not consider the existence of cultural difference. In this stage, the individual thinks that there are no differences between two given cultures and one’s own culture is seen as being the only real one. The individuals that are situated in this stage of ethnocentrism see differences with suspicion. Bennett (1993, pp. 30-34) considers that isolation can be an important reason for ethnocentrism in this stage: when a group has not been confronted with different cultural groups in any way, then chances are that that particular group would not entertain alien realities. Another important reason can be separation, which is defined as the intentional erection of physical and social barriers to create distance from cultural difference in an attempt to create or maintain a state of denial. However both cases are not very common in reality.
Bennett also talks about extreme cases where “subhumans” can be eliminated through genocide.

The second stage is the defense stage. People in this stage usually recognize specific cultural differences in general; however they create defense mechanisms against them, differences are evaluated negatively. At the interpersonal level of this stage, differences are seen as being threats, while the other’s culture is denigrated.

The third stage is minimization. In this stage cultural differences are seen as trivial: while they exist, they are defined as unimportant. This stage assumes that all people share some basic characteristics, such as an individual motivation for achievement (Bennett, 1993,). The values and beliefs are still projected from one’s own culture. The assumption here would be that the same values projected from the home country’s culture would apply everywhere, therefore they would be universal. Cultural differences are seen as irrelevant or merely cosmetic.

Beginning with the fourth stage, Bennett (1993) moves the discussion away from ethnocentrism and towards ethnorelativism. Thus following stages are based on the assumption that particular behaviors can only be understood within their cultural context (p 46). For Bennett, then, the fourth stage is the acceptance stage. This stage is characterized by the fact that difference is acknowledged and respected. One would manifest respect towards differences in values and behavior. Individuals in this stage value or assume relative goodness or rightness about the phenomena. Bennett (1993, p. 51) argues that in order to preserve intercultural sensitivity, differences that might be personally devalued must be seen as part of a culture’s overall organization of the world.
The fifth stage is the adaptation stage. Bennett (1993, p.52) explains that in this stage there are acquired new skills that are appropriate to a different worldview. Bennett argues that the key assumption in this stage is that culture is a process and not a thing and that one engages in culture rather than has it. As a result of these aspects, when one behaves temporarily in a fashion that is appropriate to a different culture, this behavior does not threaten the existence or integrity of one’s own existence and cultural identity. This stage is characterized by two traits: empathy and pluralism. Empathy refers to the ability to experience something differently than what is given by one’s own culture. Pluralism refers to the fact that difference always has to be understood in the context of the relevant culture. According to Bennett, pluralism is one step beyond empathy.

An individual in the integration stage - the last one, according to Bennett - has come in touch with a multiplicity of realities and is always in the process of becoming a part of the cultural context. Bennett (1993) also talks about seeing oneself “within a collection of cultural and personal frames of reference” while maintaining a primary cultural affiliation (p. 59).

If ethnocentrism plays a role in cultural adaptation at the individual level, my argument is that it becomes an important variable in the cultural adaptation process of MNCs as well. The next step is to discuss organizations and how they might adapt well or poorly to new cultural environments. Organizations reveal their identity in times of pressure and tension, such as during crises and issue management. According to how they respond to these issues, organizations can be divided into distinct categories, an aspect which again becomes relevant for our discussion regarding cultural adaptation.
Grand strategies of organizations

The preceding sections discussed how individuals go through the process of cultural adaptation, and how this process can be influenced by the degree of ethnocentrism brought to bear by individuals upon intercultural encounters. This section moves the analysis up to the level of organizations, by addressing how an organization’s identity—in particular the organization’s preferred strategy for dealing with key publics in times of crisis and change—can affect the process of corporate-cultural adaptation. Let us begin our discussion of organizations by addressing how organizations deal with issues (defined as unsettled matters that require an organizational response).

While dealing with issues organizations have the opportunity to reveal their strategies, policies and overall ethics. But what is an “issue”? Crable and Vibert (1985) argue that the organizational response can be crucial when issues are ready for decision. Jones and Chase (1979) define issues as being unsettled matters. Crabble and Vibert argue that a matter becomes an issue when one or more human agents attach significance to a situation. According to Crable and Vibert (1985), a matter becomes an issue when publics attach importance to it. In my view, Crable and Vibert’s definition of an issue best serves the purpose of this thesis. Not only does it have a more expansive reach than others, but it also covers matters that are not necessarily negative. As the examples will show, issues can be entering a new market and being perceived as an invader, exploring for oil and harming the local populations, fighting rumors that the product of the company stands against religious values. Issues can also be more positively charged including when organizations
face the decision of as participating in tourist festivals or promoting the fight against breast cancer. The discussion of issues is relevant because choosing when to deal with an issue is important when defining the grand strategy of an organization. This discussion is also relevant because the degree of ethnocentrism a MNC manifests can often become quite obvious when issues or controversies arise. It is indeed during times of dealing with issues that an organization can show a mentality which plays a role in the cultural adaptation process. In order to analyze this I will first look at particular situations and link ethnocentrism to what Botan calls grand strategies of an organization.

Crabble and Vibert (1985) explain that an issue can go through several statuses: potential, imminent, current, critical, and dormant. An issue has potential status when a group demonstrates interest in it. The authors argue that almost anyone can give potential status to an issue just by raising a question, setting boundaries and proposing an answer. The next stage is the imminent status which is achieved when other groups share the same interest in the matter as the group that has initially started the concern. The current status involves the idea that the issue has become of current interest and also it has become an accepted topic of conversation. An issue of this status is part of the social agenda. The critical status is reached when people identify themselves with one side of the issue and they demand a resolution of the issue. The final stage of the issues is the dormant issue. Dormant issues are issues that have been dealt in some way, however they can be reactivated any time by a group that would attach importance to them again, and the issues become potential again. According to Crabble and Vibert this is the cycle of an issue, with
the proviso that an issue won’t always go through these stages in this order or that it will reach all the statuses.

Botan (2006) provides a new categorization of the stages of an issue, but he works from the premise that publics are central and self-directing. According to this view publics play the central role in public relations as they define the issues. Following a similar reasoning with Crable and Vibert’s, Botan argues that issues can be summarized in five steps: preissues, potential issues, public issues, critical issues, and dormant issues. Preissues are present in the environment and publics have not attached importance to them, but the possibility exists that they would. Potential issues are issues to which a group or an important public figure attaches importance to them. Public issues are issues endorsed by major publics. In many cases at this stage media becomes a factor that advances the issues in the public sphere. Critical issues are issues that are ready for resolution in the minds of the publics. In this stage, the number of strategies that can be applied becomes very limited. The last stage is the dormant issue, in which the issue is resolved or it fades. According to Taylor and Botan (2004) issues management is valuable for organizations interested in shaping social and political situations. Furthermore, effective management can influence how the public views the organization.

Jones and Chase (1979) suggested three strategies that organizations can adopt in dealing with issues: the reactive, the adaptive and the dynamic strategy. The reactive strategy is one that opposes changes and calls for the past. The adaptive strategy is adopted by an organization that tries to be open to changes and adjust to them. The dynamic strategy tries to anticipate the changes and the organization even tries to initiate projects
which are desirable. Crable and Vibert (1989) add another strategy to the ones developed by Jones and Chase. They propose the catalytic strategy, which aims at producing and looking for changes. The catalytic strategy means taking the offensive, engaging in action and paying attention to the trends in the environment. This last strategy is pro-active and not reactive.

According to Botan (2006), the grand strategy of an organization is represented by a series of policy decisions regarding the organization’s goals, alignments, ethics, attitudes towards change, communication and practitioner, and its relationship with its publics and overall environment. For many multinationals, relationships with its publics and environment are important dimension of its international communication. The grand strategy of an organization is reflected in its campaigns and in its communication with the publics and its also part of the culture of the organization. Ethnocentrism leads MNCs toward particular strategies in response to intercultural issues or crises. Ethnocentrism comes from a difference in worldviews and an assumption that one’s worldviews are the right ones. Botan himself associates the concept of grand strategy with “organizational worldviews” (2006, p. 223) and makes possible the comparison between an individual and a MNC. Ethnocentrism plays a negative role in the cultural adaptation of an individual. Conversely, this thesis argues, ethnocentrism plays a negative role in the cultural adaptation of a MNC. Case studies will point out how ethnorelativism enables an organization to become a cultural insider, therefore culturally adapted.

The adaptation of the six stages model of ethnocentrism should take into consideration the organization as the main entity involved and its grand strategy. The
model proposed by this paper will build on the grand strategic models proposed by Botan (2006). For Botan, these ideal-typical organizations mainly differ on how they perceive the environment, the changes and issues, the publics and also what role communication has.

The intransigent strategy is an approach that perceives changes as threats, wants to keep the status quo and sees publics as having to meet the organization needs. The communication in an organization like this is one-way communication: it is directed to the publics, but the public’s feedback is discouraged or discounted.

The resistant strategy perceives changes negatively; however it is willing to make changes only if they are completely necessary. Changes are still considered unpleasant. Publics are seen as powerful, but dangerous. The communication efforts are made only to explain the policies and decisions taken.

The cooperative strategy sees the environment as being interdependent and takes its needs into consideration. Changes are perceived as being natural and desired and communication is part of the strategic planning. Publics are a constructive force, so the organization needs to change to meet the public’s needs.

The integrative strategy sees the environment as an active partner, desires and looks for changes in order to use them as growth opportunities. The communication component is part of the leadership in this type of approach. Publics play a central role in the life of the organization. According to Botan (2006, p. 235), publics and organizations “create and recreate each other”.

One of Botan’s criteria in analyzing the grand strategies of an organization was the organizations attitude towards the public. In the case of international public relations
however, the public comes from a different culture than the MNC. This thesis proposes another dimension, ethnocentrism, to these types of organizations. By intertwining Botan’s grand strategies and Bennet’s ethnorelativism model we advance the idea that there are concepts, constructs and theories from intercultural communication that may apply to the practice of international public relations. These new findings may be of use to public relations practitioners all over the world. Before moving to the discussion related to the process of cultural adaptation processes that MNCs go through, the link between concepts from intercultural communication and public relations should be tested, at least in a provisional way. If indeed there is a bridge, the present conversation is valid. By using case studies, the following chapter will exemplify the ethnocentric stages in public relations.

In conclusion, in the international context, Botan’s grand strategies are for a MNC what Bennett’s stages of ethnocentrism are for an individual. Ethnocentrism is what makes an individual think that his/her worldviews are the correct ones, when they contrast with those of the host culture. MNCs manifesting ethnocentrism will also assume that their worldviews are the right ones and this will have a negative impact on the adaptation process when they will contrast the host culture’s worldviews. Ethnocentric MNCs, according to this argument, will be the ones having to suffer from dealing with issues. They will have to deal with negative perceptions until, if the case, a change will occur in the assumptions that will derive from their worldviews. The development of alternative worldviews therefore becomes essential to the adaptation process.

Having noted some of the similarities between Botan’s and Bennett’s models in this chapter, the next section provides a detailed description of how these two models,
when overlapped, can create a new model with implications in a different field of communication: international public relations.

A New Model of Corporate-Cultural Adaptation

This section will present the new model of corporate-cultural adaptation, developed in the previous sections of the chapter. The model offers a typology of outcomes, based on the existing level of ethnocentrism within an organization and its already-existing grand strategy (i.e., its dominant mode of responding to problematic issues). In the next chapter, these five outcomes of corporate-cultural adaptation will be illustrated and explored by drawing on case studies from the existing literature in international public relations.

The proposed model of conducting PR internationally is based on the six stages of ethnocentrism proposed by Bennett and on the grand strategic models proposed by Botan. The model premises that ethnocentrism is a key element in intercultural communication. However international public relations have the organization as the main actor, therefore organizations' characteristics and identity should not be overlooked. This model differs from the ethnocentric/polycentric model through the fact that polycentrism does not necessarily mean a less degree of control due to the use of local manager and people. The ethnocentric/polycentric model dealt more with tactics, rather than strategies. Bringing worldviews into discussion moves the focus of the model to the strategic aspect of international public relations, but it discusses tactics in the same time. According to the proposed model, very little ethnocentrism can be manifested by the same expatriated
managers who are culturally empathetic and understand the dimensions of another culture. Cultural awareness and culturally appropriate responses and actions reflect the grand strategy of the organization.

The Bennett model deals with individuals while Botan’s model deals with organization, although the mechanisms they talk about are fairly similar. Both models discuss openness to change and ways to deal with the environment. The novelty the new proposed model, ethnocentric stages in IPR, brings is that it re-introduces the ethnocentrism variable to international public relations by offering a more nuanced understanding on the role it plays. It argues that ethnocentrism plays a crucial role in the life of MNCs doing PR overseas and it has a significant impact on the organization’s well being and success in becoming a cultural insider and therefore an efficient company. Both Botan and Bennett discuss a certain process of adaptation, from the individual’s and from the MNC’s perspective. In both cases, the individual or the organization are faced with adapting to an environment and, the demands of the host culture or publics. Integrating these two models can yield insights on how international firms can better manage their relationships with publics across cultural boundaries. Bennett’s model and Botan’s model are inter-dependant and they intertwine. They overlap and the following section will illustrate this with case studies. What we will discover is that an ethnocentric MNC is likely to be intransigent in its relation to international publics, but a cooperative or integrative MNC is likely to be ethnorelative.
<table>
<thead>
<tr>
<th>Cultural differences</th>
<th>Denying/intransigent</th>
<th>Minimizing/resistant</th>
<th>Minimizing/cooperative</th>
<th>Adaptive/cooperative</th>
<th>Integrative</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not taken into</td>
<td>Somewhat acknowledged, but not fully accepted</td>
<td>Somewhat acknowledged, but not fully accepted</td>
<td>Understood</td>
<td>Assimilated</td>
</tr>
<tr>
<td></td>
<td>consideration</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Worldviews</td>
<td>Questionable ethics, not belonging to any culture</td>
<td>Belonging to the home country</td>
<td>Belonging to the home country</td>
<td>Home country/host country</td>
<td>Host country</td>
</tr>
<tr>
<td>Communication</td>
<td>One way</td>
<td>One way</td>
<td>One-way/two-way</td>
<td>Two-way</td>
<td>Two-way</td>
</tr>
<tr>
<td>Changes</td>
<td>To be avoided</td>
<td>To be avoided</td>
<td>Good</td>
<td>Good</td>
<td>Good</td>
</tr>
<tr>
<td>Strategy</td>
<td>Not adapted</td>
<td>Not adapted</td>
<td>Not adapted</td>
<td>Adapted</td>
<td>Adapted</td>
</tr>
<tr>
<td>Tactics</td>
<td>Not adapted</td>
<td>Not adapted</td>
<td>Adapted</td>
<td>Adapted</td>
<td>Adapted</td>
</tr>
</tbody>
</table>

**FIG. 1 Summary of Corporate-Cultural Adaptation Model**

The corporate-cultural adaptation chart explains the possible outcomes by looking at these criteria: cultural differences, worldviews, communication, change, strategy and tactics.

The **denying/intransigent approach**. This type of organization does not take cultural differences or its publics into consideration at all. The denying/intransigent organization does not think about that the publics in the host country and it is completely insensitive to their cultural needs. The publics in the host country are seen as inactive and their sole purpose is to meet the organization’s needs. The communication with the publics is one way and feedback is not evaluated at all. Feedback evaluation is considered as being unnecessary.

The **minimizing/resistant approach**. This type of organization acknowledges some cultural differences between the publics in the home country and the ones in the home country, but refuses to adapt its communication style. The differences are not seen as a threat, thus they are not given enough attention. The corporation considers the values and beliefs projected from the home country’s culture as universal and it thinks that the publics
in the host country subscribe or should subscribe to the same values that are considered universal.

The minimizing/cooperative approach. Similar to the minimizing/resistant approach, such MNCs acknowledge that cultural differences exist, but fail to recognize how these differences can affect their campaigns and goals. However, as opposed to the minimizing/resistant approach, minimizing/cooperative MNCs are more willing and open to change. Thus, they are more likely to catch problematic issues at a much earlier stage. In general, a MNC having this approach may address cultural differences at the tactical level, however its strategy would be less likely to change across different cultures.

The adaptive/cooperative approach. This organization tries to incorporate knowledge of the host country’s culture into its strategic planning efforts, and it sees the firm and the host environment as interdependent. The organization accepts changes that would meet the environment’s profile and considers them as being productive. The corporation attempts to understand the environment and tries to adapt to it by internalizing more cultural frameworks. At the same time, however, adaptive/cooperative organizations fall short of full integration. Such organizations are open to change, and are ready to adapt, but they do not actively seek change and thus may only attempt to adapt when the situation requires it.

The integrative approach. This type of organization is willing to do any effort to be integrated in the environment. Such an organization goes beyond simply seeking information about cultural differences: these cultural frameworks become the “default mode” that generates new strategic plans. In terms of strategies, the organization actively
seeks change and its goal is to integrate in the environment fully. While this stage is similar to the previous one, the difference lies in the fact that an integrative approach seeks change proactively, while an accepting/cooperative approach just accepts change in a reactive manner.

The next chapter will explain in detail these five stages of international public relations and every stage will be accompanied by case studies from various publications. By closely analyzing a large collection of case studies I hope to shed light over the cultural adaptation process that MNCs go through when conducting economical activity and public relations overseas.
CHAPTER 2: A CASE STUDY APPROACH

Approaches in International Public Relations

This section will explore the existing case studies of MNCs doing PR overseas and how they fall under the five approaches in international public relations described above. As a result, I hope to demonstrate the utility of the new theoretical model as a way of analyzing existing practices in international public relations.

Parkinson and Ekachai (2006) acknowledge the need to design strategies that are a good fit with the culture, if the client, public relations practitioner and the target publics share the same culture. The authors also agree that intercultural communication intersects with international public relations, which is one of the main premises of this thesis. In this chapter, I will explore through case studies the extent to which the specifics of the local culture is embedded in the overall PR strategy as well as in the tactics employed. Depending on the type of approach adopted, strategies will vary as well as their outcomes.

The denying/intransigent approach

A MNC employing a denying/intransigent approach will not take cultural differences in consideration or it will not take the local public into consideration at all. Communications would be one-way or even non-existent. This highly ethnocentric approach usually translates in negative outcomes that not only lead to non-adaptation in the
new environment, but may even affect the life of the organization. Corporations are currently moving towards more culturally sensitive approaches and disasters such as the ones presented below are not commonplace these days.

A classic example of a denying/intransigent approach is the Bhopal Union Carbide disaster in 1984. In December 1984, over 4000 people died due to a chemical disaster of a lethal gas spreading throughout the city of Bhopal, India (Patwardhan & Bardhan, 2006).

First, Union Carbide proved to be an intransigent company by ignoring warnings that were impending the crisis, due to profit increase reasons. Patwardhan and Bardhan argue that Union Carbide had chosen to cut costs, and therefore increase the profitability of the factory and this led to disaster. The authors state that the cost-cutting measures meant poor security and precarious emergency procedures. Apparently Union Carbide chose to cut costs in this manner due to India’s “low strategic importance on the MNC’s global radar” (Patwardhan & Bardhan, 2006, p.220). In other words, the Bhopal plant and its employees benefited of less safety measures due to its (at that time) geographical, political and economic marginality. Union Carbide chose to assume the risk of a disaster by overlooking the safety of its employees. This negligence led to disaster. After the accident, Union Carbide continued to be intransigent. Carbide managers were forbidden from talking to all media (including local media), and the organization declined to assume full responsibility for the accident. The company showed intransigency by taking steps in helping the local population only when forced to do so by a legal and political settlement with the Indian government – and only then, the authors conclude, when the firm’s global
reputation started to suffer. Indeed, it was only after a settlement with the Indian government in 1989, four years after the disaster, when Union Carbide established a trust fund to build a hospital for the affected Indian families. Through its actions the company showed little willingness to change.

Further, both before and after the disaster, Union Carbide manifested ethnocentrism towards its publics. According to the authors, through its crisis management approach Union Carbide showed very little understanding of the local publics and of the environment. Although having been present for many years in India, the company failed to answer the special needs of the local population, which were mostly illiterate migrant workers from rural areas. The authors argue that the disaster affected the entire city and country both physically and emotionally, especially because of Union Carbide’s failure to communicate (Patwardhan & Bardhan, 2006, p.220). Moreover, Union Carbide’s hesitant communication following the disaster enforced the public distrust in Union Carbide and MNCs generally. The American company also published the results of an independent investigation showing that the disaster took place due to an act of sabotage. The authors argue that this attempt to dissociate itself from the disaster was futile as Union Carbide had experienced similar incidents in other locations in the world. This meant that any rhetorical attempt to avoid blame would be received with reluctance by the publics. The authors also argue that Union carbide manifested ethnocentrism due to the way they prioritized their publics after the disaster. The priority stakeholders were the US Congress, the chemical industry, the US media and global industrial consumers. The only Indian public considered a priority was the Indian Government, which Union Carbide chose to battle with in court. A
settlement only four years after enabled the construction of a hospital for the Indian families. For these reasons Union Carbide dealt with this crisis in a culturally insensitive manner.

Sen and Egelhoff (1991) state that six years after the disaster, even though Union Carbide was still a Fortune 500 company, it was forced to downsize considerably and restructure itself. The authors' argument is that part of the reason why that happened was the disastrous manner in which Union Carbide dealt with the crisis in Bhopal. In a 2004 study, Bardhan and Patwardhan conclude that a multinational corporation doing PR in a resistant local culture should adopt management approaches that are open to on-the-ground realities.

Other examples of denial/intransigence are not difficult to find. According to Olaniran and Williams (2006), between 1980 and 1999 Shell Oil was involved in a scandal regarding the exploitation of oil in Nigeria. The company was accused of frequent gas flaring, explosions, oil spills and waste, all to the detriment of the indigenous Ogoni population and the environment. Instead of adapting its strategy and taking into account the local population, Shell chose to ally with the corrupt totalitarian government. This, they presumably thought, would shield them from the consequences of their denial of cultural differences and intransigence toward calls for change. Ultimately, however, this approach led to an international campaign against Shell that forced it to correct its practices.

In the end, Shell was intransigent because it opposed changing and correcting its practices in Nigeria. As intransigent firms see publ
organization, this was arguably the case with Shell. As the authors argue, it was only when Shell was faced with international protests and international pressure that they choose to address the local health and environmental consequences of their practices in Nigeria. In a classic case of intransigence, the organization opposed changes until local and international protests began to threaten the firm’s profitability. Drawing on the discussion of issues, Shell responded this issue only when it had reached the critical stage.

While being intransigent, Shell also manifested ethnocentrism towards the local Ogoni population. According to Olaniran and Williams (2006), it is difficult to imagine that Shell would act in such a callous fashion if the victims of these practices lived in the UK or the USA. If the core of ethnocentrism, as Bennett writes (see discussion on p.22) is the assumption that others must conform to cultural values and expectations--or else be considered something less than fully human--then Shell had an ethnocentric approach. When faced with local protests against it, for example, the MNC chose to ally with the oppressive Nigerian government which led to violent reprisals against the locals that were protesting. The authors also mentioned that the leader of the movement was executed by the Nigerian authorities, which brought upon Shell and the Nigerian government even more international criticism.

The minimizing/resistant approach

The minimizing/resistant approach may acknowledge some cultural differences, however it fails to address them at the strategic or tactical level. A company manifesting
this approach would still act according to worldviews projected from its own culture. A company with this approach will typically view change in a negative manner and it would decide to change only when no other options are presented.

Wu (2002) talks about common practical misjudgments and theoretical misperceptions of Western practitioners in Asia. Wu mentions the differences between the Chinese media and the Western media as well as social and cultural differences between the Chinese people and other Western nations. According to Wu, many Western PR practitioners overlook such important aspects, a decision which leads them to failure. Such examples illustrate the minimizing/resistant approach, when organizations conduct business based on the values projected from their own culture (and are resistant to change).

According to Inoue (2003) U.S. auto parts manufacturer Tenneco decided in 1994 to hire a Japanese PR firm to act on the fact that although having been present on the market for more than 20 years and despite its efforts, it had a mere 3.5 percent share of market. Inoue PR conducted research and came up with a plan to solve the problem. The problem seemed to reside in the fact that the Japanese market had a rather closed nature. The Japanese PR firm decided to address the Japanese and American Governments in order to create deregulations of the market in order to facilitate trade, find new business partners for Tenneco and create new demand through re-educating the Japanese consumers. It seems to have taken Tenneco 20 years to realize that in order to get a bigger share of the market they needed a culturally adapted approach. Before hiring the Japanese PR firm, Tenneco illustrates the minimizing/resistant approach.
Tenneco proved to be a resistant organization because in its 20 years of economical activity in Japan it refused to change its approach despite the lack of success. The American corporation chose in this case to respond to this issue very late, after remaining “mired” in the potential issue stage for years. However, when faced with economic failure, Tenneco ultimately did begin to engage in new practices, adapted to the Japanese policy-making context and to the local market. Such reluctant and long-delayed adaptation is what differentiates minimizing-resistant firms from both denying/intransigent firms (who do not change) and more accepting/cooperative firms (who are less reluctant to change). Tenneco was resistant to change and adaptation, but when threatened with economic failure it chose to change its approach.

In its activity Tenneco also manifested ethnocentrism. It is hard to believe that Tenneco did not acknowledge the differences in the Japanese environment; however the firm presumably did not consider them to be important. Tenneco manifested ethnocentrism because it tried to conduct business in Japan the same way it did in the US. In this case, Tenneco showed ethnocentrism in dealing not just with the Japanese public, but also with another important stakeholder, the Japanese government. Tenneco failed to address the closed nature of the Japanese market. The American company did not conduct research to assess experts’ or journalists’ views of the industry in order to be able to position itself as an important player. Tenneco had only employed one-way communication and this led to a very small market share despite having a presence on the market of over 20 years. Tenneco did not listen to the conversation of the Japanese publics and therefore had an ethnocentric approach, not adjusting to the local specificity of the environment. As the model explains,
Tenneco did not necessarily see differences as a problem but chose to neglect them to its detriment. Neglecting these differences in the two governments as well as in their Japanese stakeholders becomes the source of their problems and lack of success.

Another example of minimizing/resistance comes from Thailand. In 1996, Eli Lilly, a US manufacturer of pharmaceutical products, decided to co-sponsor a program to increase awareness about depression among the Thai population. The campaign was carried together with other three Thai institutions, and the final goal was to reduce the suicidal rate among children and teenagers (Hanpongpandh, 2006). Burson-Marsteller was chosen to be the PR firm to implement the campaign. One of the challenges the firm had to deal with was the fact that Thais viewed depression as a mental disease rather than a clinical disorder which is actually curable. Also depression was accompanied by social stigma. The campaign was meant to encourage people to seek medical treatment rather than seek help from unqualified persons, such as local religious leaders and fortune tellers. Challenges were also of a cultural nature. According to the author, speaking about one’s internal turmoil and emotional problems is not commonly accepted in Thai society. The biggest obstacle of this campaign was Thais’ desire to preserve face.

Eli Lilly’s paternal approach was to educate its Thai public of the effects of depression on individuals and on the society overall. The campaign assumed that providing information would be enough to change the attitudes and behavior of Thais. The tactics employed were related to media: feature stories, interviews, press releases and advertorials. The campaign received extensive media coverage and the depression issue was introduced to the media’s agenda. However this strategy does not indicate any change in the
knowledge, attitudes and behavior’s of Thais regarding depression. Failure to conduct post-campaign research actually means not assessing the true results of the campaign, whether it “moved the needle” or not.

Importantly, for the purpose of this thesis, while it acknowledged the cultural factors and obstacles at the beginning of the campaign, the Eli Lilly’s PR firm did not seem to address them in any way. This is a classic example of minimizing cultural differences: the firm acknowledges that differences exist, but this acknowledgement does not lead to a new communication strategy. For example, local religious leaders and fortune tellers mentioned as opinion leaders and influential figures were not targeted by the campaign at all. While other firms, as we will see, often try to get religious leaders on board in the early stages of a campaign, Eli Lilly did not use the same tactic to support its strategy of changing attitudes and behaviors. The author of the case study regarding Eli Lilly mentions that results were hard to assess due to the lack of evaluative research. It is safe to assert though that the tactics this campaign employed did not respond to the different cultural environment that Thailand has.

Ekachai and Komosevin (1996) mention another similar campaign, this time regarding family planning and the use of condoms. They state that Thais are embarrassed to say the word “condom” and were not very open to discussing family planning. In order to deal with these, the Population and Community Developmental Association chose to use minister’s Mechai Viravaidya first name “Mechai” to replace the word condom and organize vasectomy festivals in honor of the King’s birthday, the king being a very popular public personality. The annual population growth reduced from 3.2 percent in 1970 to 1.3
percent in 1991. The campaign is considered to have contributed to this success. Although this is a campaign organized by a governmental agency it is relevant because it shows how a cultural sensitive approach would look like, which Eli Lilly did not seem to have. This indicates that although having a good intentions, Eli Lilly may not have reached the desired results and did not move closer to being a cultural insider. This case supports the idea that effective health campaigns have to use an approach based on local out-reach and maybe even humor, not mainstream media. This example is of a campaign in the health area that worked. It was not conducted by a MNC, but it indicates what a successful approach would look like. Eli Lilly’s approach was conventional for a health campaign in North America and Europe, where people seek for information in reliable mainstream media, and not local leaders.

In the end, by not adapting to the local environment Eli Lilly’s approach was resistant. The company did not seek change and through the strategy and tactics it employed the MNC manifested resistance to the publics and the environment overall.

All in all, the literature does not present numerous cases of companies exemplifying the minimizing/resistant approach. The reason why this happens is because companies having this approach do not create scandals, but do not register huge successes either; they are mediocre. For this reason the literature ignores such cases as they generally do not have much pedagogical significance.
The minimizing/cooperative approach

The minimizing/cooperative approach is somewhat similar to the minimizing/resistant approach. While this approach employs the same ethnocentric worldviews, similar to the ones projected from the home country culture and incompatible with those of the host culture, this approach differs in that minimizing/cooperative firms seek change and sincerely attempt to address local publics, although usually in an erroneous way. Cultural differences are acknowledged but when looking at the strategy employed they seem to not really touch on cultural differences. This approach may employ culturally sensitive tactics regarding local media and local practices—particularly when problems arise during the execution of the campaign—but, nonetheless, the overall strategy remains ethnocentric.

In 2001 Avon launched a global campaign entitled “Kiss Goodbye to Breast Cancer” in order to create awareness and raise funds to improve access to medical care and support breast cancer cure (Sarabia-Panola, 2006). The challenge while conducting this PR campaign consisted in a series of cultural factors that could flaw the campaign: Filipino women deter their health in favor of other concerns, they are reluctant to discuss health issues, and older women consider health issues to be private and refuse to talk openly about them. Besides these detracting factors, the campaign did tap into a number of local values which were in favor of such an initiative. According to the author, women in the Philippines have power in their families and they are the ones usually dealing with the household’s financial matters. At the same time, women benefit the same employment and education opportunities as men does, and this gives them a different status than women in
other Asian cultures. In addition to this, Filipino men still keep some Spanish values due to the centuries of colonialism, such as being protective and possessive of their women.

Avon acknowledged some cultural differences between the Filipino culture and the American culture which was indicated by the interpersonal approach to discuss health-related issues; however, on the whole it had a paternalistic strategy. Avon did not try to join an existing conversation or address real concerns of the Filipino women. For this reason Avon’s approach, particularly during conception, if not execution, minimized cultural differences. There is no way to argue that the same agenda existed in the minds of the Filipinas. For example, the authors reporting this case never indicate that breast cancer was a real concern within the Filipino society. In other words, Avon did not join an existing public conversation, but rather imposed its own agenda—its own notions of what was of central concern in the lives of women (breast cancer)—onto a society that may have found other issue of more importance: poverty and corruption, just to name a two. For this reason Avon, while cooperative in their desire to use knowledge of cultural differences to better execute the campaign, nonetheless minimized the worldviews of the Filipino society by opening channels of communication on a topic of little relevance for the local community.

At the same time, however, through the tactics it employed, Avon proved to be more cooperative with local publics than resistant or intransigent. For instance, Avon used local celebrities as opinion leaders to convey the message as well as its 300,000 sales representatives, recruited from local Filipino communities. In sort, at the level of tactics, Avon showed a willingness to accommodate the particular cultural needs of Filipino women. In the end, although the campaign had hardly any evaluative research, the authors
argue that it was a success, proven by PR awards received as well as the funds raised to support a medical center for breast cancer.

Unilever’s public relations efforts in China, Hong Kong, Japan and South Korea offers another example of the minimizing/cooperative approach Dowling (interpersonal communication, 2007) differentiates between how the West talks and how the other cultures talk. He states that in Western societies one way to create “talkability” is by picking an enemy in order to create public debate. One such example is the “Dove Campaign for Real Beauty”. Its global mission was to help women feel more beautiful everyday by challenging the concept of “beauty”. By showing images of proud and confident realistically shaped women Dove tried to change the public perception of women regarding beauty. According to Dowling, this campaign generated great public debate and it was considered a great success in Europe and North America. When looking at the same campaign in Asia, the author states that results were different. Different worldviews in some Asian cultures, based on Confucian values, made results appear different. In cultures with an emphasis on harmony, where conflict is seen as counter productive, the Dove campaign was received with reluctance (Dowling, interpersonal communication, 2007). Although Dove had good intentions and seemed to have all the reasons to address the issue of beauty, its campaign showed little relevance in Asian cultures. The same campaign that was extremely successful in the West seemed incompatible with the fabric of Asian societies. The overall strategy had a Western bias which made the campaign less successful in Asia. Although pro-active in its efforts, Dove seemed to minimize cultural differences in its attempt to export in Asia a campaign based on Western values. The campaign’s strategy
did not address issues of real concern for Asian women. The strategy employed had a
Western bias and this made the campaign unsuccessful.

Dove proved to be cooperative by trying to communicate and by trying to become a
cultural insider, a local player. The campaign adapted its tactics to the local environment.
However, like in the case of Avon, it joined a culture with its own agenda, which was
incompatible with the agenda of some Asian cultures. This campaign did not transform
Dove into a cultural insider, as its communication did not find an echo in the local culture.
Since Dove's strategy did not seem to be tailored on the specificity of local cultures, its
strategy was minimizing. Through the tactics it used, employing local personalities and
trying to address the specificity of each culture, the campaign address cultural concerns at
the tactical level and this made the communication efforts be cooperative.

The adaptive/cooperative approach

This approach acknowledges cultural differences and is successful at addressing
them in their overall strategy. Companies using this approach seek change and do not
oppose it. They communicate change at both strategic and tactical levels. Communication
is two-way and companies can function in an alternative cultural framework. While the
minimizing/cooperative approach addresses cultural differences only at the tactical level,
this type of approach is different because it addresses these concerns at the strategic level
too. Culture is embedded in the communication efforts from the start of the strategic
thinking process.
On October 2002, General Motors Daewoo Auto & Technology Co. publicly launched in South Korea as a result of General Motors (GM) taking over Daewoo Motors (DM) (Sung, 2006). According to Sung, GM was facing widely negative public opinion, as many Koreans were viewing this as an “invasion of foreigners”. A general reluctance towards Westerners was even further developed after GM took over DM, as locals perceived this take-over as an economic exploitation and an invasion. The general public, the media but also the employees were rather suspicious of this transformation. Language was also a problem; Koreans saw the language of work as a burden and a barrier, as most conversations were in English. This made the task of becoming a cultural insider quite difficult and GM had to go through a process of learning and growing. GM had to adjust quickly and experience enculturation with its two aspects: deculturation and acculturation.

The GM Daewoo reacted promptly and used several PR tactics to position the company as a local one, decreasing the public opposition and even developing trust in the publics. The PR tactics used indicate a change in the overall strategy, so the adaptation took place at both levels. The PR department of GM Daewoo used feature stories, interviews, press releases, weekly newsletter articles from the management, soccer tournaments, family events and language training program in an attempt to change the perception of GM Daewoo. This way they addressed the fears of the locals and established trust between the company and its publics. GM Daewoo acknowledged the cultural environment and addressed not only through its tactics, but also though its strategy: it showed its commitment to the local community and it built trust. Western executives of GM Daewoo were shown cheering for the Korean soccer team during the World Cup in 2002, messages
from the management were delivered in the introduction section of the company newsletter, 1000 children of GM Daewoo employees visited the Bupyung plant and 5,200 employees took English courses. All these efforts were meant to show local involvement of GM Daewoo and they suggest efforts to blend in the culture and become a local actor. GM Daewoo tried to understand the environment and made changes to meet the public’s needs. However, Sung states that the efforts of GM Daewoo were reactive, rather than proactive and this is because GM did not come to Korea prepared, but rather it had to adapt as an effect of the strong opposition it found in the Asian country. For this reason GM Daewoo’s approach was an adaptive/cooperative approach according to the ethnocentric stages presented in chapter 4. The process that GM went through follows the principles of the cultural adaptation model presented earlier. Although data exists only about a limited period, this is an ongoing complicated transitioning process. Sung (2006, p. 188) mentions that GM conducted research in order to learn about the Korean’s attitudes, they studied opinions and attitudes as well as the media coverage of the issue. All this analysis leads to the development of a more intercultural identity that shifted the company’s position from that of an invader and that of a cultural insider. GM had to learn about the close relationships between the members of the Korean community and also about its relatively closed characteristic. Sung (2006, p. 194) mentions that multinational corporations often face negative attitudes just because they are “foreign”, which also meant a feeling of mistrust toward the new management. The company’s strategy therefore became trying position itself as a Korean automobile company. For this reason the Western managers had to learn how to appreciate soccer and cheer for the Korean national team during the World
Cup as well as organize family events and provide English courses to employees in order to reduce the anxieties produced by the language barrier. This denotes a shift in the company’s cultural identity. GM’s adaptation process to the Korean culture is probably still taking place, although more information on the topic has not been published. The case study however clearly indicates the validity of the adaptation model and its aspects: learning, growth, enculturation and physical fitness.

Another example of such approach took place when in 2000 a rumor spread through Egypt that Coca-Cola was anti-Islam (Keenan, 2003). The charge Coca Cola had to face was that if the logo was viewed upside down, it would read “No Mohamed, No Islam”. As a result of this speculative rumor, the Coca Cola sales dropped 20 percent. The American MNC was able to acknowledge this new threat by showing responsiveness while the issue was in one of its initial stages. The company listened to public concerns by picking up signals in the environment and responded in an appropriated manner. Coca Cola immediately prepared a culturally sensitive response to this situation. The company met with religious figures and Islamic scholars who dismantled the rumors. Coca Cola then decided to provide its sales persons including truck drivers with copies of statements of religious leaders that confirmed the lack of foundation for the rumors. According to Keenan (2003), Coca Cola was able to recover and get its market share back. This is another example of an adaptive/cooperative approach, where a company responds to a situation showing cultural sensitivity and full cooperation. Coca Cola adapted immediately by getting the religious leaders involved which became essential at the strategic level. The tactics involved were also local in nature, using truck drivers in order to spread Coca
Cola’s arguments against the rumors. Dealing with the issue in such manner the American company showed that it had developed pluralism, as a similar approach in a western country would seem like a very poor approach. Coca Cola responded to this issue during an early, potential, stage.

The integrative approach

This approach seeks to be integrated in the local environment and it communicates in a way that makes it a cultural insider, responsive to local concerns. This approach employs from the beginning the cultural framework of the host culture, it does not even need a shift from the home to the host culture. The organization using this approach seeks integration in the host environment.

According to Molleda, Athaydes and Hirsch (2003), Coca Cola Brazil is engaged in community initiatives and sponsors many environmental protection events, educative programs, sport activities and cultural programs. One example is Coca Cola’s involvement with the Folkloric Festival of Parintins. The support of Coca Cola for this festival has reached the amount of two million dollars in 2001. The festival is a long-lasting local tradition between two rival camps, the Garantido Boi and the Caprichose Boi. The tradition goes a long way back and it is based on a popular legend. By sponsoring this festival Coca Cola revived the poor community while attracting tourists to the area. According to Molleda, Athaydes and Hirsch, Coca Cola’s approach is one that cultivates long-lasting relationships with the government officials, but also takes into consideration the vertical collectivistic culture, where hierarchy and integration of society are closely related. This
approach is integrative because it does not come as a response to a problem, but it is rather a pro-active effort to integrate in the local culture.

As Tilson and Schnabel (2004) argue, often MNCs entering a new market will encounter a host culture that is overtly resistant and hostile. The key challenge in such cases is building trust. Taking an integrative approach, which means actively seeking integration in the local environment, can help firms anticipate problems and adjust quickly. For example, BellSouth, a US multinational a wireless provider which operates in ten South American countries, faced just such a challenge in their attempt to build trust and become a cultural insider in South America. Their means for doing so included, among other strategies, developing a program that addressed the educational needs of children in 2000. In South America, children in impoverished communities sometimes have to work at young ages to help their families make ends meet. According to Tilson and Schnabel, BellSouth acknowledged this issue as a pressing problem for South American communities and decided to address it. This was even easier because BellSouth had been very active in community involvement and education in the Southern United States, its home base. While at the strategic level BellSouth chose to build trust by showing that it cares about the pressing issues that local communities care about, at the strategic level BellSouth provided small scholarships covering tuition, school supplies, uniforms, as well as family counseling. The program was implemented with help of local NGOs. The authors assert that the program was a success and that BellSouth had successfully developed relationships with key stakeholders, including its employees who have become proud to work for such a socially responsible company. The company received numerous prizes for this program,
but no primary research studies were conducted to measure people’s attitudes towards the company. BellSouth seems to have an integrative approach in doing PR in South America. First it listens to the public conversation and the specific features of the local culture and it realizes the need to build trust through meaningful relationships with its stakeholders. BellSouth scanned the environment and approach a issue long before it developed in a threatening issue for the companies existence.

Hindustan Lever Limited (HLL) started business in India during colonial times and it is one of the biggest consumer goods companies in the Asian sub-continent (Bardhan Patwardhan, 2004). The company’s policy of indigenization policy manifested in focus on local products, responsiveness to local needs and employment of local citizens in positions varying from management to technology. The authors use the word “acculturation” in defining the relationship of the MNC with the environment. Having been in India for over 60 years, HLL now demonstrates a high degree of acculturation, the authors argue. HLL revealed an ability to work closely within the local environment and cultivate human relationships. For example, HLL responded to the needs of the environment by locating factories in depressed areas of India. Moreover, HLL invested in community development programs aimed at improving health and nutrition, two other aspects where local communities showed vulnerabilities. While paying attention to the community needs, HLL addressed the environment too, by developing projects meant to improve the soil conservation and water usage. This is how the company addressed local needs in order to cultivate good will in the resistant environment of a country with a colonial past. By doing this, the company addressed a number of issues in potential stages, which under particular
circumstances would have shown potential to become a threat to the functionality of the organization.

By creating good will, HLL became a local player and built a relationship based on mutual trust with the local publics. HLL acted in a preventive manner as a way of addressing characteristics of the resistant culture it was functioning in. The authors conclude by stating that HLL managed to navigate through the Indian social, political and cultural norms without imposing “their cultural notions upon local realities” (p. 262). They also argue for the importance of MNCs attuning to the host cultures needs and contributing to that society, while suggesting that a MNC’s organizational culture translates into its public relations practice. HLL proves an integrative approach, dealing with issues in their initial stage and responding to local needs due to a deep understanding of the host environment.
CONCLUSIONS

In Chapter 1 I have presented the theoretical framework for my analysis and in Chapter 2 I have put the theoretical framework against case studies in order to assess its validity. The final objective of this study is to present guidelines for how MNCs can successfully adapt to new cultures as well as discuss limitations and further directions for research. In this way, the model of corporate-cultural adaptation focuses attention on three key components of successful international public relations: (1) openness to change; (2) the ability to not only acknowledge cultural differences at a tactical level, but to incorporate these differences into strategic planning; and (3) the ability to open two-way communication with local publics—ideally to the point where public relations efforts not only react to, but are generated by, local cultural values and needs.

In short, the case studies indicate that when MNCs culturally adapt to the local environments and when they are perceived as local player this boosts their reputation and the goodwill that publics manifest toward them. This translates in economic success and functional fitness. When entering a new cultural environment, MNCs must, if they wish to be successful, move from cultural outsiders to cultural insiders and this thesis provides the guidelines for a successful transformation.
Organizational change

Seeking change, internally or externally, is a key differentiator of MNCs doing PR overseas. It becomes important for MNCs to seek change and not oppose it, as shown in the cautionary tales of Union Carbide and Shell Oil. However, seeking change is not enough. Seeking change in order to better adapt to the environment and the needs of the public is one characteristic of the MNCs that are integrative in their approach. Firms must also understand cultural differences and be willing and able to integrate these differences into both strategic planning and tactical decision-making.

Cultural differences and worldviews

An important facet of communicating in host cultures is represented by understanding cultural differences. As I have shown in the previous chapter, acknowledging cultural differences are an important dimension of the adaptation process. However, there are different degrees of acknowledging these cultural differences and embedding them in communication strategies and tactics. Some MNCs acknowledge differences but minimize their importance. Avon’s campaign for increasing awareness for breast cancer in the Philippines, Dove’s campaign for Real Beauty in Asia, Eli Lilly’s campaign to increase awareness about depression in Thailand are examples of communication efforts where cultural differences were minimized. Although at the tactical level these differences were eventually addressed—particularly in the case of more cooperative firms like Avon—in the over-arching strategies, cultural differences and alternative worldviews were not integrated. This led, in most cases, to unsuccessful
campaigns (such as Eli Lilly’s anti-depression campaign in Thailand). These campaigns are examples of global campaigns that correspond to the agenda of the headquarters in Europe or the United States, as opposed to the local agendas of local publics.

MNCs have to understand that issues vary in importance in different countries and should not expect the success of a campaign in one country to necessarily translate in another country. The term Jim Dowling of Ogilvy Public Relations uses is “joining a conversation”. While Dove joined a conversation in the US and Europe regarding the concept of beauty, the same campaigned was less successful in other Asian countries where this conversation was non-existent. Worldviews of publics differ from country to country and they become crucial when implementing such communication campaigns. In these case studies, MNCs sought change and wanted to do positive things in the host cultures. Their intentions were good; however, they did not address real needs of the local cultures. This comes from a one-way communication approach. In order to join a conversation, one has to listen first and learn what the topic is about, its importance as well as how the others in the conversation feel about it.

MNCs that listen first before joining a conversation stand better chances of becoming cultural insiders. GM Daewoo in Korea did exactly that. Confronted with reluctance from the local publics, GM Daewoo had to listen first to the worries of different Korean publics in order to properly address them. Their strategy of building trust through appropriate tactics transformed it into a cultural insider and reduced the fears of Koreans regarding the American take-over Daewoo. Coca Cola did the same thing in Egypt when confronted with a crisis. In order to eliminate rumors about the
company being anti-Islam, Coca Cola realized that it had to establish trust and repair the relationship. This meant, again, joining in a conversation: building rapport with religious leaders and approaching the locals in a culturally sensitive way. These strategies showed Coca Cola's deep understanding of the cultural environment as this understanding translated in their strategy and tactics.

In ideal, or fully integrative, situations, the deep understanding of cultural norms can be proved in a proactive way and not in a reactive manner as with the GM Daewoo and Coca Cola/Egypt case studies. Using a truly integrative approach, using cultural knowledge and opening a two-way dialogue with the public are not episodic practices deployed in times of crisis. Instead, the firm truly adapts to the values and practices of the host culture, and acts as a stakeholder in the local cultural system. For example, the same Coca Cola showed its involvement in the local community in Brazil by joining local festivals, not only to show its understanding and appreciation of local values, but also to help impoverished communities. These types of proactive initiatives are the ones that transform a MNC into a cultural insider. BellSouth did exactly the same thing in South America. The American MNC realized that in order to become a local player it had to address a real problem, which in these countries was represented by children having to work to support their families, instead of going to school. These are examples of how an MNC proves its deep understanding of the local environment through its communication strategy. Hindustan Lever Limited (HLL) is another example of an integrative MNC. In order to become a cultural insider in India HLL addressed local issues such as nutrition and health through community development programs.
Communication

Listening to the conversation in the local culture becomes essential and this is done through two-way communication. Assessing attitudes and behaviors and paying attention to feedback becomes of real importance to the way a MNC joins a conversation. Being on the topic and showing involvement in a matter of real concern for the local culture is a big advancement in the process of moving from a cultural outsider to a cultural insider. This is usually done through primary research which is an accurate indicator of attitudes and behaviors in local cultures.

Limitations

Maybe the biggest limitation of this study is the analogy between the individual adaptation and the corporate adaptation. While some aspects of the individual adaptation may be relevant to the organizational adaptation, these two processes most likely differ substantially. Future work on this topic should therefore offer a more robust analysis regarding those portions of Kim’s model that can be applied to organizational adaptation, and those portions of the model that apply only individuals. In short, the analogy this thesis draws between the individual and organizational adaptation is insufficiently theorized.

Another limitation is the overlapping of Bennett’s model of intercultural sensitivity and Botan’s grand strategies. While Bennett’s model implies the movement from ethnocentrism to ethnorelativism as part of a process with intermediate stages, the grand strategic model is more categorical and does not necessarily imply movement
across stages. Therefore the relationship between these two models is more complex than
the relationship between two models moving in the same direction. Further research
should analyze the validity of the relationship assumed in this study.

A significant challenge while writing the case study analysis was the fact that the
case studies were written in very different formats. While some provided lots of
information some were missing different parts, such as evaluative research. One such
case is the Eli Lilly depression campaign in Thailand. Since there was no internal
evaluation of the campaign, one way of measuring its success was by looking at other
successful health campaigns in Thailand. The Avon case study was another example of a
campaign without any evaluative research. Parallels with other campaigns became the
criteria.

A serious limitation was also the fact that these case studies were written as best
practices or worst practice. Since most pedagogical case studies tend to focus on (for
rhetorical reasons) dramatic successes or failures, many of these communication
situations deal with crisis situations. This introduced what could be called a “crisis bias”
into the case examples. Further research should focus on more common, day-to-day
situations, which tend to be representative for the entire practice of IPR.

Moreover, “the best practices” case studies, sometimes written by professionals,
presented their own problems. These “best practices” cases had to be evaluated carefully
and combed for evidence of a lack of cultural adaptation. Too often, it seems, case studies
are written for promotional, rather than educational reasons. The result is that, too often,
the authors elide the weaknesses in the campaigns themselves. Finally, it should be
acknowledged that some case studies, such as the one regarding Tenneco in Japan, do not illustrate their respective approach to adaptation to its full extent. Further research may address this limitation by moving beyond case studies and toward the use of different kinds of data, such as ethnographic studies, biographies, autobiographies and news features. Such data might shed more light on how decisions made at different levels of the organization influence the organization’s adaptation strategies and tactics.

Last but not least, the few existing case studies analyzing the IPR initiatives of multinationals did not provide a numerous base of studies for analysis. Since this study looked at crisis communication, issues management, corporate social communication or communication campaigns, not all categories were represented under every possible adaptation outcome.

Further directions for research

In the context of globalization more MNCs are becoming attentive to their IPR initiatives. However the literature indicates a lack of case studies of MNCs doing PR overseas. This may be due to various reasons, but the necessity of more case studies is unarguable. Only a richness of case studies can provide the deep understanding of corporate-cultural adaptation that is essential for both practitioners and scholars. In particular, what this thesis suggests is that future researchers should explore intercultural case studies that focus on the interaction between a firm’s level of ethnocentrism and its grand strategy (i.e., how it relates to local publics). The model presented in this thesis would predict, in short, that campaigns that reach toward true cultural integration will be
more likely to achieve their goals. Testing this prediction could be a crucial avenue for future research. Further more, practitioners may find of particular relevance the difference between a minimizing/cooperative approach and an adaptive/cooperative approach. Most practices would currently fall under one of these two categories. It is important to acknowledge that attempts of cultural adaptation can occur at the tactical level or at both the tactical and strategic levels.

Finally, globalization is no longer a one-way process. Another direction worth exploring is Asian MNCs coming from countries such as China, South Korea, Japan and India to North America, Europe, Africa or Latin America. The number of corporations originating in these countries is expanding and an analysis of this phenomenon may yield interesting results. This thesis represents a small contribution to normative theory in PR but also a call for scholars and practitioners to address the need of a deeper understanding of how MNCs adapt culturally to host environments. The phenomena can become really complicated and nuanced when looking at MNCs headquartered in the US, Europe or Asia as well as the host countries, which may be Africa and South America, but also the US, Europe or Asia.
REFERENCES
REFERENCES
REFERENCES


CURRICULUM VITAE

Radu Dumitrașcu has received his Master Degree from George Mason University and his Bachelor degree from the University of Bucharest. Radu has also studied in Italy, with the University of Milan, and in Sweden, with Midsweden University.