MANAGING STAKEHOLDER “PUSH BACK”, AN EXPLORATORY INVESTIGATION INTO DEALING WITH NEGATIVE CROSS CULTURAL COMMUNICATION IN A GLOBAL ENVIRONMENT

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Abstract
This paper addresses the issue of a current business phenomenon – ‘push back’. This phenomenon has been experienced by a number of transnational companies. It is embedded in the challenges of cross-cultural communication and involves the linkage of local culture activists with globalisation activists in an alliance to stop business growth. This exploratory investigation examines three multinational organisations using qualitative research. From the findings a model has been developed in an attempt to provide practitioners with a framework with which to understand ‘push back’. The complexity of combating alliances of this nature raises challenges for the current approaches to marketing and the need for a multi-stakeholder approach in cross-cultural communication is suggested.

Introduction & Background
Companies like Starbucks, Nike and Disney are finding it increasingly difficult to find profitable growth opportunities. This is partially because cross-cultural differences and the sensitivities that can be exploited from these differences are being used by stakeholder groups to oppose the expansion of these organisations. This exploitation of cross-cultural differences (White & Haire, 2003) by specific stakeholders causes conflict between the organisation and these confrontationist stakeholders. To account for these conflicts businesses are using the term stakeholder ‘push back’. This term refers to stakeholder’s communication attempts to ‘push back’ against the desired direction of the company using a range of local and global media.

Push back occurs irrespective of the wishes of other stakeholders. Thus it matters little that a company is satisfying customers and shareholders if the local community feels it threatens their cultural identity. Or that free trade allows increased opportunities for shareholders and employees even if there is a sense of loss of national cultural identity.

One example of localised ‘push back’ that got global attention is that experienced by Starbuck’s in China and reported in the People’s Daily (2000):

*The reason for the uproar is due to the café’s location: The Forbidden City, the world’s largest Imperial Palace... The café named Starbucks... A survey by Sina.com showed that over 70% or nearly 60,000 people surveyed were opposed to the café’s entry into the Forbidden City, the main reason being the damaging effects to Chinese cultural heritage and its atmosphere.*

Thus ‘push back’ with a stakeholder group may be a major challenge for business enterprises. However, the problem is compounded by ‘push back’ alliances. Local cultural interest groups
and large global interest groups can combine to form powerful coalitions to ‘push back’ the new entry efforts of many transnationals companies. One global interest group is the ‘anti-globalisation’ lobby. This lobby has often partnered with local community groups to provide funding and access to global media for small local cultural defence groups. At the global level they fight a war against globalisation at the local level they fight battles against perceived cultural hegemony.

Employees, suppliers and customers from other cultures can also ‘push back’ against business operations using cultural hegemony, at the global and local level as the focus of protest. The issue for organisations is how to manage this culturally fuelled stakeholder alliance ‘push back’ through communication strategy.

The role of culture and cross cultural communication in ‘push back’

The fear used by stakeholder groups to encourage ‘push back’ actions is cultural hegemony. This fear is often built on mistrust, caused by lack of understanding due to poor cross-cultural communication. This poor cross-cultural communication by companies is exploited by the pressure group stakeholders to develop ‘push back’. Thus, the concept of cross-cultural communication is central to the ‘push back’ phenomenon.

Hofstede (2001), Trompenaars (1993) and Hall (1976) discuss the difficulty of communicating across cultures. However, with multiple stakeholders, embedded in diverse cultures this situation is exacerbated. This complexity of multiple stakeholder relationships across cultures elevates the issue above the normal “cultural impacts on consumer behaviour” perspective of marketers.

When communication is specifically designed for the purpose of behavioural management, the cultural context of the subject is important. (White & Hartel, 2002) Messages that are designed by employees in low context cultures will not achieve the desired effect in a high context culture (Hall, 1976). Organisations that prepare one version of public material in the hope of managing stakeholder relations globally are likely to fail.

Cross Cultural Communication – Marketing and Public Affair

Marketing is the function which has been most concerned with culture and cross-cultural communication. However, this focus has primarily been on the customer as the major stakeholder. The marketing literature offered some insights into the management of the cultural ‘push back’ phenomenon. This was particularly so at the tactical level.

The existing marketing literature covers culture differences in psychological constructs such as values (Clarke III & Mcken, 2002; Kim, Forsythe, Gu, & Moon, 2002; Terpstra, 2002), needs (Kim et al., 2002), attitude (Lee, Fairhurst, & Dillard, 2002), ethnocentricity (Javalgi & White, 2002; Pereira, Hsu, & Kundu, 2002), perceptions (Chan & Lau, 2001) and norms (Chan & Lau, 2001).

Other approaches relate to the various marketing tools such as advertising (branding-country of Origin Effects) (Hong, Pecotich, & Schultz, 2002). Papers in this group achieve this by considering different responses to communication messages within cultures and differences in semantic interpretation (Bjerke & Polegato, 2001).

In addition, the impact of culture on different types of personal interactions has also been considered by a number of researchers. These interactions include negotiations and service
interactions (Javalgi et al., 2002; Smith & Raeynolds, 2002). Another key consideration in the material has been on the impact of changes in media available on marketing across cultures. This approach has normally focussed on the impact of technology. The primary consideration over the recent past has been on the Internet (Tian & Emery, 2002). Lately, more studies are covering cultural impact on consumer behaviours (Luna & Gupta, 2001) (Arnould, Price, & Zinkhan, 2002; Blackwell, Miniard, & Engel, 2001; Usunier, 1996) and targeted marketing to specific culture groups.

These studies on marketing practice and theory cover a wide range of issues relating to culture. However, they are directed at individual level constructs with a focus on purchase behaviour. Although effective in assisting and understanding marketing activities at the customer level or micro-level they offer few insights into the management of large group stakeholders at the macro-level with ‘push back’ as the behavioural response mostly from the locals who felt threatened by the foreign culture.

Hall (1959) suggested breaking messages into three components: sets (words & objects), isolates (sounds) and patterns (grammar or syntax) in order to understand culture as communication. This theory suggests, high-context people are apt to become impatient and irritated when low-context people insist on giving them information they don’t need. Conversely, low-context people are bemused when high-context people do not provide enough information. This is caused by an inability to interpret the patterns constructed by sets and sounds. This means the management of the image of the organisation will be different depending on the classification of the culture of the target audience. In some cultures the image of the organisation will depend on its perceived associations rather than its message content.

In addition to the semantic patterns there are very complex status patterns in communication. (Hall, 1959) These patterns determine the type and role of non-verbal cues when communicating which are often neglected in cross-cultural communication processes. In a high-context culture (i.e. China), non-verbal or situational cues are important (Stone 2002) whereas the emphasis is on content (such as formal documentation) in low context cultures such as Australia. (White & Hartel, 2004)

Another useful dimension in developing communication strategies at the community level is power distance. (Hofstede, 2001) Where power distance is relatively high concern for image and presentation is very important. (White & Hartel, 2004) This ensures the importance of corporate image in these types of cultures. In these situations managing perceptions through communication is more important than it is in cultures where power distance is low. The actual execution of communications is very important. For example, the decision of wether to use press releases or press conferences is critically affected by the power distance measure of a specific culture. Communication, therefore, must be designed to be culture specific.

Case Study Experiences of ‘push back’
Three companies were studied using quantitative method through depth interviews. The International Vice President from Company A felt that a way of measuring and managing the problem of ‘push back’ which had occurred in a number of different cultures is required. It was thought different types of companies would experience different stakeholder ‘push back’. High public visibility and branded companies are more prone to public stakeholder ‘push back’ while commodity and resource type companies are more prone to employee or public
‘push back’. This may not be the case as the resource company was involved in extreme conflict with public stakeholders.
The Public Affairs Director of Company B stated: “… in the (Company B) organization … of course we have learnt a lot of lessons over the past say 3-4 years with some adverse reputation impacting issues and that included …” This was made in reference to a large project in a culturally sensitive area. The end result was a withdrawal from the area at great cost to the company.

Company C started the operation overseas as a joint venture. When the decision was made to bring the joint venture into a wholly owned enterprise, workers were frightened. The workers went on strike. They wanted to be sent back to the part of the joint venture which belongs to the state. They were aware of the fact that they might not be paid as much however feared that positions with an Australian company might not be as safe as with a state owned company. This was resolved by visiting each employee at home and addressing their concerns.

Companies have been managing ‘push back’s in their most effective and efficient manner although not all results have been satisfactory. Company A and Company B tended to leave the management of external ‘push back’ to a public affairs function. This area had an overriding responsibility for all reputation issues. This department monitored the communications of the marketing operations in order to ensure compliance with reputation and mitigate ‘push back’. Company C’s approach is totally culturally different however appropriate to the culture and effective towards people who were involved.

Development of the Proposed Model

Cornelissen and Lock (2000) proposed a model which integrates three possible approaches to strategy development. They suggested a number of views of the way strategy emerge. These are the contingency approach, the strategic choice approach and the power-control approach. Under the contingency approach strategy would be reactive to external stakeholder pressure. Under strategic choice strategy would be pro-active to ‘push back’ pressures and develop before the organisation experienced it. Under the power-control approach the strategy would emerge as a result of power and turf plays within the organisation.

This is no way near a satisfactory solution for practitioners in dealing with push back. The following model was developed from the literature and depth interviews of practitioners to help conceptualise this situation and to offer practitioners insights into ‘push back. In this model, a number of common variables are mentioned. These are: the business strategy; transnationals nature of the enterprise; the communication strategy; perceived organisational image; perceived cultural differences between the organisation and the local culture; the stakeholder hierarchy and relationship linkages up and down this hierarchy between local pressure groups and global pressure groups; the support level of international media; the support level of local media and the force of ‘push back’.

These variables are linked in relationships which strongly suggest of negative synergy feedback loops which are the major attributes of push back. The ‘push back’ force operating through media can detrimentally change an organisational image in a manner that increases the negativity of the image and this increased negativity encourages increases ‘push back’ activity and consolidates the alliance of the community and global groups. Thus it continues.
These are shown on the extreme left hand side of the model diagram. Which of these approaches were being utilised was not determined during the initial research. However, it is possible to conjecture the contingent approach was being used. The subject companies were searching for a response to a contingent force: ‘push back’

**Strategic Focus:** The model indicates the need for a multi-target approach to dealing with ‘push back’ at the strategic level of communication strategy. The targets need to be at two levels of media: global and local. These dual targets need to be addressed as both a channel of communication and a public relations target to maintain their support. The content of communication needs to reduce the perceived cultural difference at the community level and to enhance the organisational image at the global level.

**Figure 1 Model of ‘push back’**

**Implications for marketing**
The marketing implication from this model is that the marketing approach may need to be modified. The marketer’s approach to needs and wants satisfaction may be too simplistic for a cross-cultural multi-stakeholder environment. Thus Marketer’s will need to think more broadly than simply customer management and thus incorporate other stakeholders as well.

In addition, marketers will need to be aware of the cross-cultural and cross stakeholder impacts of their communications efforts.

**Conclusion**
In conclusion, it is identified that cross-cultural communication effectiveness must be addressed by transnationals organisations in order to meet the threat of ‘push back’. ‘Push back’ is a very real force in the business environment. Also, the need to communicate cross-culturally at the global level and yet maintain an image of concern for specific local cultures is challenging. In addition, the need to fit the global communication into the local cultural idiom is also problematic. This model is based on the findings from a small and non-representative sample and as such must be viewed with caution. However, future research is proposed to test the model’s validity when resources become available.
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