

The role of workplace relationship and its impact under the duality of culture: the case of a U.S-based multinational company's subsidiary in Vietnam

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Summary:

Despite various studies investigating the role of workplace relationship and its impact on individual and organisational outcomes, very few goes beyond a “mono” research setting which often assumes employees having similar social and cultural frame of reference. Little is known about the formation and effect of relationship in a multicultural environment where different values and beliefs, hence different perspectives on relationship exist. This paper aims to address this lack of literature on workplace relationship within multicultural contexts. It focuses on how employees in multinational subsidiaries respond to the duality in cultures (host country's national culture and the organisational culture originating from home country) and consequently their perception of work relationship. Semi-structured interviews were conducted in a Vietnamese subsidiary of a U.S-based multinational manufacturer. Data analysis has revealed the hybrid manifestation of both cultures in how participants perceived relationship as well as the benefits and pitfalls brought about by such manifestation.

Word count: 1992 words

Introduction

It is undeniable that workplace relationship plays a significant role in the healthy operation of any organisation. Since 2000s, the recognition of how connections among employees can influence their performance, their mental well-being and consequently the organisation's productivity has urged more and more organisational researchers to investigate this topic (e.g. Chiaburu & Harrison, 2008; Dutton et al., 2010; Methot et al., 2016). Nevertheless, the role of workplace relationship and its impact on individual and organisational outcomes has only been revealed in a mono-setting which tends to assume employees having similar social and cultural frame of reference. Little is known about the formation and effect of relationship in a multicultural environment where different values and beliefs, hence different perspectives on relationship exist.

Overseas subsidiaries of multinational companies are perfect examples of a complicated environment within which two levels of culture, host country's national culture and the headquarter's organisational culture, simultaneously dwell. The co-existence of these two cultures, also known as cultural duality, means that local employees working for a subsidiary are faced with two different, sometimes even conflicting sets of norms and practices, each supporting a distinctive perception regarding relationship in the social world (Caprar, 2011). Examining how individuals behave under the combined impact of two cultures can help managers better understand the headquarter-subsidiary relationship and build strategies to better manage their foreign branches (Pant and Ramachandran, 2017). In particular, knowledge of which culture's standpoint on relationship local employees might adopt and how it influences their behaviour can provide managers with understanding of their employees' social network and its effect on subsidiary's performance. This can assist them in identifying and promoting beneficial relational patterns to enhance their business operation. Still, while the literature on workplace relationship hardly addresses multicultural contexts, available studies on cross-cultural communication focus on unit-level interaction rather than interpersonal exchange between individuals (Barner-Rasmussen *et al.*, 2014; Morgulis-Yakushev, Yildiz and Fey, 2018). Aiming to fill in this gap, this paper concentrates on the role of relationship as perceived by local employees working for a Vietnamese subsidiary that belongs to a renowned U.S.-based multinational manufacturer. This paper aims to reveal how Vietnamese employees consider workplace relationship, the way they build/maintain it, and the harm and good their attitude towards relationship could bring, all under the effect of cultural duality.

Literature review

Workplace relationship, or connections formed due to interactions between employees to accomplish organisational work, has been proved vital for any organisation (Dutton and Heaphy, 2003). Hitherto, the significance of workplace relationship has been investigated by myriads of researchers. They have uncovered how good quality relationship could result in better individual performance, bring mental and emotional support for employees as well as smoothen cooperation in team work processes (Jehn and Shah, 1997; Chiaburu and Harrison, 2008; Mogilner, Hershfield and Aaker, 2018). At the same time, the disadvantages of workplace relationship such as distraction, role conflict, bias in procedural implementation, or deliberate harming behaviour like complaining or spreading rumour has also been examined (Venkataramani and Dalal, 2007; Pillemer and Rothbard, 2018). These studies, whether their emphasis lies on categorising workplace relationship or the negative and positive aftermath it brings about, appears to have one similarity: their research setting was set in one country/region with one sample sharing a single social or cultural frame of reference. While some studies conducted several studies with different samples, their samples often belonged to an analogous cultural background (e.g. Casciaro & Lobo, 2008; Melwani & Rothman, 2022). As our

establishment and significance of social relationship is deeply rooted in our own culture, it is important to recognise and explore how different cultural context can mean different perceptions in the role of relationship and relational practices.

The ample proofs that the quality of the connections between members of an organisation in general can influence their performance and work outcomes does not mean that the magnitude of this influence might be the same in all cultural contexts. Western cultures such as the U.S. or the UK have been reported to keep personal relationship separate from work matters, hence tend not to let personal emotions or circumstances interfere with professional tasks (Trompenaars & Hampden-Turner, 1997). On the contrary, in Eastern cultures such as China, Japan or Vietnam greatly value social connections and tend to make more efforts to cultivate and maintain relationship at work (Hofstede, 1997; Thang *et al.*, 2007). Relationship with colleagues, managers or customers is considered extremely significant in the success and ease of daily work movements. Given the expansion of Western multinational companies to Eastern markets in the past decades, these two inconsistent perceptions on relationship can meet in any subsidiaries multinational companies have built in Asia. In these subsidiaries, local employees often find themselves dealing with both their Asian national culture and the Western organisational culture inheriting from the company's head-quarter. How employees respond to this duality in cultures and consequently how they perceive workplace relationship is the focus of this research.

Methodology

Adopting an inductive approach and a qualitative method, the project collected data through semi-structured interviews. The research was conducted at a subsidiary in Vietnam of a renowned U.S.-based multinational manufacturer that produced casual clothing and undergarments. 35 Vietnamese employees of the subsidiary were recruited through purposive sampling to achieve diversity in terms of demographics, tenure, work positions and education level. 30 interviews were conducted face-to-face at the subsidiary's site while the rest 5 were done through phone and Microsoft Teams. Each interview was approximately 45 minutes long with some lasting over an hour. An interview guide consisting of primary questions and key focuses was developed based on Trompenaars and Hampden-Turner's (1997) cultural dimensions, Schein's (2010) organizational cultural framework and McPhee and Zaug's (2008) flows of communication. These frameworks provided a general direction for the interviews and served as a guide to develop meaningful queries rather than a restraint to the conversation with participants. The schedule consisted of three main parts, focusing consecutively on Vietnamese culture, the organisational culture inherited from the main company, and the role of relationship in the subsidiary. This schedule was continuously revised after each interview following participants' response and the discovery of significant themes to ensure its ability to capture more relevant data. All interviews were then transcribed and organised in Nvivo 12. Data was analysed in Vietnamese – the original language in which all interviews were conducted, using thematic analysis. To complement individual opinions collected from the interviews, the researcher also resorted to observation. Throughout the data collection period (from May to August 2021), the researcher was allowed to visit the subsidiary on a daily basis and took notes of the subsidiary's daily activities as well as special events. The researcher also had access to certain company documents (e.g. company websites, annual reports, global code of conducts, the subsidiary's cultural handbook, etc.) and various company's artifacts (e.g. decorations, bulletin board, campaign panels and exhibitions at the subsidiary, etc.). These materials could be considered as a reliable source of secondary data to support the primary data accumulated from the interviews and observation.

Findings and analysis

There were three main themes emerging from data analysis. First of all, there was an anticipated disparity in the significance of relationship between Vietnamese culture and the organisational culture transferred from the U.S.-based head quarter. Most participants agreed that in Vietnamese culture, relationship with co-workers, subordinates or supervisors could be considered as a type of “currency” which was necessary for the operation of mostly anything. Cultivating good relationship with others seemed to be an important job as a work task could only be carried out with ease and efficiency in the presence of good connections. Unlike the reliance on relationship in Vietnamese culture, the organisational culture participants were urged to follow at the subsidiary regarded relationship merely as a lubricant to smoothen the completion of work. Participants mentioned how they were expected to act professionally at work, making decisions based solely on the merit for their company without the interference from personal emotions and conflicts. The need to establish relationship with other employees seemed less of a priority according to the subsidiary’s organisational culture.

Secondly, data analysis revealed a hybrid manifestation of both Vietnamese culture and the organisational culture in how participants dealt with relationship. Interestingly, the two seemingly conflicting perceptions on relationship of these two cultures didn’t eliminate or cancel each other but appeared to co-exist in participants’ mind. When describing their experience in reality in terms of workplace relationship, the majority of participants concurred that connections with other employees still played a key role at work. Nevertheless, they tended to build relationship naturally during interaction at work rather than through deliberate fraternisation or personal meetings outside working hours. Relationship was also maintained at a low cost without the need for gifts or regular socialisation. While it was deemed common to cultivate good relationship and let it enhance work outcomes, they tended to consciously restrain negative ties from hampering their work and particularly the whole subsidiary’s productivity. This reflected both Vietnamese culture’s appreciation of relationship and the U.S.-based organisational culture’s emphasis on the boundary between professional and personal aspect. It was also worth mentioning that the extent to which employees associated with both cultures’ perception on relationship varied across departments. While the administrative teams appeared to be less inclined to proactively build and maintain relationship, the production department showed a stronger intention to create favourable connections with their colleagues. Employees working in production units also tended to be swayed by their relationship with others more than those in administrative positions.

Finally, the research has uncovered how employees’ hybrid perception of relationship impacted individual behaviour and consequently the organisation. According to most participants’ recollections, having good relationship with co-workers helped create a jolly and motivating atmosphere which helped cancelling out their high work pressure to focus on reaching work targets. Employees were also more likely to go the extra mile to complete a task faster or in more details for the colleagues they got along with. The significance of maintaining good relationship with others also prompted employees to be soft and tactful in daily communication, especially when solving conflicts or making feedback. There were cases when employees chose to compromise or overlook disagreements in order to preserve their relationship. The tendency to restrain unfavourable connections from influencing work outcomes also led employees to play down or ignore conflicts with other colleagues while at the same time trying to empathise with said colleagues’ behaviour.

Conclusion

As an attempt to complement the literature on workplace relationship within multicultural contexts, this paper has explored how local employees in a Vietnamese subsidiary of a U.S.-based multinational company perceived relationship at work as well as how their perception influenced the way they operated within the subsidiary. Not only has it discovered the hybrid manifestation of two apparently opposite perspectives on relationship, it has also expanded our understanding regarding the extent to which employees tended to associate with such perspectives. All in all, it has shed light on the role of relationship, how it was established along with the potential benefits and pitfalls it might bring under the combined effect of Vietnamese culture and the subsidiary's U.S.-based organisational culture. This research, however, was not without limitations. The sample lacked a balanced representation of all departments as employees from some teams, especially production unit, were not open to being interviewed for fear of upsetting the company and damaging their employment. The research addressed this by cross-referencing the information of a department that had minor representation with the knowledge from participants working in other departments. As the research interviewed participants on the ground of the subsidiary during working hours, participants could be prevented from freely expressing their opinions. To tackle this, all interviews were scheduled in private meeting rooms or empty communal spaces depending on participants' preference. Moving forwards, future research could focus on the variation in perception of relationship across departments and further on, the contextual and individual factors that can influence local employees' association with different cultural perspectives on workplace relationship.

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