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The Epochal Implication, Realistic Dilemma and Innovation Path of Multinational Enterprise's Culture Construction

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Abstract

In the era of economic globalization, the differences and conflicts of enterprise culture are increasingly obvious, with the continuous expansion of the scale and scope of multinational business activities. The cultures of countries are permeating one another. It is impossible to find a foothold in the world only by "shutting one's door" or unilateral export. As a kind of cross-cultural management, the management of multinational companies has become the most important economic engine. When an industry or a product wants to take root in a foreign market, if it ignores the cultural habits and cultural penetration of other countries, the operators will be stuck in the same place, which is not conducive to long-term development. Therefore, many multinational companies attach great importance to the understanding, integration and innovation of each other's cultures, so as to form a unique business philosophy and environment which is suitable for their own multinational companies, which are mainly "localized", and establish a cross-cultural enterprise culture; so as to better achieve business objectives, reduce business costs, and create international competitive advantages. In this paper, the aspects of operating cost, communication and environment are selected as the entry point to study the enterprise management innovation and other issues. Try to rely on enterprise management innovation to promote the comprehensive competitiveness of enterprises, and how to improve enterprise management innovation and put forward reasonable suggestions.

Keywords

Multinational Enterprise, Cultural Conflict, The Enterprise Cultures

1. Introduction

In the 21ˢᵗ century people get rich from cultural management, along with the

continuous social economic development, more and more multinational companies are established, cross-cultural organizations are mainly represented by multinational companies when facing the national cultural differences, their global investment management may be affected. Many foreign import goods make great impact to our country enterprise development. For example, Coca cola and Pepsi take the largest proportion of beverage market and many domestic beverage brands have withdrawn from China' market. In the clothing market, a large number of international fast selling brands and high-end brands enter the Chinese market, which also squeezes the living space of domestic brands. Therefore, in different cultural backgrounds, enterprise culture should be endowed with innovation to keep pace with the times. All the parties of international business should reduce the cultural conflict through the understanding of each other's culture, fusion and innovation. In the process of integration both sides should maximize the benefits via differences of cultural values and expand the global mindset of the employees to form suitable business philosophy with the priority of local unique, strengthen the multinational company's global competitive advantage, realize the unity of integration and diversification effectively. Alibaba's success illustrates that China's traditional economy is suffering the huge impact of the development of the Internet era. The top foreign companies are taking advantages of Chinese companies, if we ignore the development of enterprise culture, our country's enterprise will eventually be eliminated by the market.

2. Epochal Implication of Multinational Enterprise Culture Construction

Multinational enterprise refers to enterprises in the form of public, private or mixed ownership formed by entities in two or more countries through ownership or other forms of association (Freeman & Soete, 2004), so that one or more entities can exert effective influence on the activities of other entities. One of the most important competitive weapons of multinational enterprise is the multinational enterprise culture. The application of cultural strategy in these enterprises is also important factors to promote the development of the corporations, including the propaganda of values and behavior, brand packaging and so on. For example, in Japan, where people like sumo wrestlers with big waist, they think losing weight is unhealthy, so the Coca-Cola company in Japan changed the "diet Coke" to "light Coke". The mascot of China's Haier may seem awkward to Arabians, but French women love it. For example, the United States MOTOROLA company in China to promote television advertising, the selection of Chinese actors and the use of the traditional customs of "popular luck" to promote, with the television picture more highlights the festive, auspicious atmosphere, so received a good publicity effect. Similarly, if the American custom is used to advertise in China, it will not only bring strangers to the audience, but may even have the opposite effect because of the difference in life.

Enterprise culture is also called the corporate culture, focused on to human

consciousness and the formation of spiritual aspects. The core of corporate culture is "people-oriented", which means the enterprise in a certain social context through long-term business activities generated with characteristics of its own cultural concept and the form (Liu & Nie, 2018), it condenses the value pursuit of all staff, the enterprise is the most direct window embodies the enterprise spirit. Value and codes of conduct recognized and observed by all members of the enterprise play a core role in the soft power of corporate culture, with continuity and dissemination. The only way to evaluate corporate culture is appropriate or not. The management level through the spiritual and cultural power conducts a purposeful regulation on the behavior of enterprise members, so as to strengthen the core competitiveness of the enterprise—soft power. Once corporate culture is formed, it is difficult to change, which has a positioning function for its overall value orientation. Some enterprises are keen on the construction of corporate culture and actively organize related cultural activities, but this cannot be called corporate culture in the true sense.

3. Cultural Differences between Multinational Enterprises and Its Influence

With the continuous development of economic globalization, multinational companies have almost spread all over the world. The difference between local culture and foreign culture in multinational enterprises is increasingly prominent and diversified, and the resulting influence has also become a key factor that cannot be underestimated by the leaders of enterprises.

3.1. The Cultural Differences of Multinational Enterprises

3.1.1. The Differences in Culture of Value

The impact of the collision and fusion of Eastern and Western cultures on the new and old concepts and the cultural conflict between Chinese traditional culture and modern corporate culture have brought great challenges to the development of multinational enterprise management. Chinese traditional culture pays attention to the "moderation" concept of "Tao and justice", while western management pays attention to the digital thinking of improving the key indicators of "skill and profit". Although the western business philosophy can stimulate and release productivity in a certain period of time, it also brings a huge impact to the traditional Chinese concept. Many countries advocate the supremacy of interests and turn workers into "profit machines". However, the "melamine incident" in China and the "Enron incident" abroad have given us a wake-up call. It is not advisable to be completely westernized or completely Orientalize. Employees in western enterprises have greater autonomy in their attitude towards work achievements. They will directly express their opinions and have certain rights to suggest and question their superiors. Chinese employees, on the other hand, are more tactful and tend to talk behind their backs. The enterprise must pay attention to the moral quality of employees as well as their ability. A focus on profits must be accompanied by a focus on corporate social responsibility.

3.1.2. The Differences in Institutional Culture

The Western system is pursuing a rule of law and effective management of society order. Enterprises are used to carrying out operation and management based on legal provisions. However, in Eastern society, people's role and value are emphasized. Enterprises are used to "emotional" governance and act according to superior instructions, ignoring the system effect and regulation management, which makes it difficult for enterprises' rules and regulations to play an effective role. The western system determines the salary according to the ability, and encourages "job-hopping". It puts the ability in the first place and often restricts the brain drain under certain conditions and reasons. In the East, people tend to pay attention to personal political quality and interpersonal relationship. Employers pay attention to the experience and education of employees, and directly link the salary growth with the economic benefits of enterprises (Su, 2019). When we blindly follow the Western system, we gradually give up the Chinese traditional culture, just like children always have the mentality of "others' things are better", but they do not know that the westners value our traditional skills more. CCTV News report once mentioned that in the early years, as a traditional handicraft, dark-red enameled pottery are not favored in China, which leads to their low price. However, some people bought them at a low price in China and then sold them to Singapore at a high price, but they became very popular. The idea of innovation is good, but to improve the level of innovation from "made in China" to "created in China" in a short period of time is just empty talk. The development of national enterprises needs to take all sides into consideration to improve their comprehensive strength, but the implementation can be said to be a long way off.

3.2. The Impact of Cultural Differences of Multinational Enterprises on Market Operation

3.2.1. The Market Demand

Due to the objective cultural differences and profound group tendencies among countries in the world, consumers of different cultures often have unique consumption needs. The traditional Western commodity economy nourishes the modern personality with a strong sense of independence. In multinational companies, groups influenced by Western culture pursue clear property rights and strict contractual relations, so relevant supervision and constraint measures are derived and corresponding costs are paid (Porter, 2005). Europeans tend to emphasize quality and tend to make decisions on past experience. American managers, on the other hand, are more quantitative and good at developing long-term strategies; Corporate leaders in Argentina, Chile and other countries in South America prefer to make quick decisions, while many corporate decisions in Latin America are usually based on individual intuition and emotional preference (Wang, 2020). Eastern culture with Confucian as the core pursues overall harmony and group conversion. For example, Japanese enterprises pay attention to the "team" spirit, especially with respect to authority, and these spi-

rits have been transformed into the modern cultural basis of the team spirit of eastern enterprises. Cultural differences make it easy for multinational enterprises to solve problems from multiple levels and perspectives, and also make transnational enterprises have complementary advantages in knowledge and thinking, which is conducive to improving organizational efficiency and competitiveness.

3.2.2. The External Environment

The influence of external environment on multinational enterprises is mainly reflected in the differences of politics, economic system, legal culture and other aspects of different countries. The natural factors are different in various countries, which will affect the transportation cost, communication cost, resource allocation and strategic layout of multinational enterprises. In multinational companies, with the narrowing of the distance between "subcultural tribes" with different cultural backgrounds and the increasing urgency of mutual communication, people with different values, codes of conduct and customs call for understanding and communication across cultural differences (Zhang, 2018). Cross-cultural communication is an important prerequisite for the survival of multinational corporations. The rapid development of world economy and science and technology has narrowed the distance between different cultural individuals and cultural communities. Therefore, in order to form an efficient and cohesive leadership group in multinational companies, to enhance the centripetal force of enterprises and strengthen the coordination among employees, it is necessary to establish efficient cross-cultural communication channels, reduce the operating costs of enterprises, and thus improve the international competitiveness of enterprises.

4. Practical Dilemmas of Multinational Enterprises

Since the 21st century, economic globalization has been the general trend of the world, international economic and commercial activities are growing at a rapid speed, countries are gradually integrated into an interdependent global economic system, multinational enterprises are becoming more and more common. In addition, China's market environment is also undergoing significant changes from a planned economy to a market economy, and Western institutionalized and process-based management experience and theories are also developing rapidly in China. As the successful representative of the construction of Chinese corporate culture, a large number of enterprises, such as Fangtai, Alibaba, Huawei and Haier, have laid a good foundation for the future development of enterprises. After the implementation of the "going-out" strategy, many domestic enterprises are looking overseas for opportunities. At present, there are more than 10,000 kinds of enterprises engaged in multinational management in China. After China's entry into WTO, the overseas investment and transnational operation of Chinese enterprises have developed rapidly, especially the backbone enterprises such as Sinopec, Haier, TCL and Konka, which have made break-

through progress and effect (Ge, 2019). At the same time, due to the late entry of Chinese enterprises into multinational operation, the early foundation, historical tradition, cultural language, religious belief and other factors, many Chinese transnational enterprise management has many problems to be solved and optimized.

4.1. The Conflict of Management Culture Concept

In recent years, people have gained a new understanding of conflict. They believe that conflict is not all bad and inevitable. The key is how to make it into constructive conflict. In multinational companies, employees in different countries and industries have different life concepts and industry norms, which results in the differences of "cultural communities" divided by ethnic groups, and also leads to the phenomenon of cultural conflict and coexistence. Being influenced by the old management concepts, many modern enterprises have a strong color of family management, and the development of management activities will also be affected accordingly. The environment for enterprise management innovation is gradually deteriorating because of the lack of timely adjustment and transformation, let alone enterprise innovation. Single and backward management methods will continuously reduce the actual management efficiency and quality of enterprises. Most enterprises' excessive dependence on "human resources" will increase the difficulty of enterprise management innovation. Many enterprise managers do not pay enough attention to the understanding of cultural construction, which affects their subordinates' understanding of enterprise' culture without forming a complete knowledge system, and only put the pursuit of economic interests in the first place. Because the new hires can only follow the old staff's rule, if the enterprise core employees leave suddenly, the new staff cannot get to work quickly it may lead to the loss of data, it not only waste of company's resources, delay the enterprise development process, even as the vicious competition between enterprises. Even if some employees can organize according to their own needs, it not only reduces the work efficiency, but also increases the time cost of searching for effective knowledge, and even brings adverse effects to the development of the whole enterprise. Especially in today's new media popularization, part of the enterprise managers lacks of enough cognition, the enterprise culture construction can't meet the developing requirements of the new age well, it will seriously hinder the growth of enterprise culture construction.

4.2. High Costs of Management and Operation

Due to the lack of experience in new media operation, some enterprises lack theoretical knowledge, practical operation ability and mature management system in the aspect of cultural construction, which not only leads to the new media cannot well serve the construction of corporate culture, and even affect the normal operation of enterprise management, increasing management costs. When

Chinese companies first entered the European and American markets, they often focused on favorable factors such as tax, land and low electricity cost, but ignored the business environment that was completely different from that at home. When dealing with the problems and conflicts of transnational operation, the immature management and operation mode also causes high cost and expenditure loss, which not only hinders the implementation of established plans, but even leads to the failure of overseas operation. In 2017, the media frequently reported that the factory of Fuyao Group in the United States encountered cultural conflicts, such as Fuyao factory and the Chairman De-wang Cao were sued by the fired American former president and vice president of fraud, breach of contract and discrimination charges respectively; American workers complained that Fuyao puts too much emphasis on speed and efficiency; Chinese managers put increasing production above all else; the factory was facing fines from the federal Occupational Safety and Health Administration for violations of the Occupational Safety and Health Act; the media paid so much attention to these events, not only because Fuyao Group is a representative of Chinese enterprises going global, but also because this kind of multinational operation culture conflict event is a major challenge for Chinese enterprises that have gone global in the future.

4.3. Shortage of Innovation Management Talents

Enterprise innovation management is highly dependent on professional talents, but many enterprises do not reserve enough qualified and energetic innovation management professionals, and even the existing personnel cannot provide effective guidance and help for innovation management activities. In the shortage of enterprise talents, many specific enterprise management innovation activities cannot be carried out smoothly. All kinds of innovation management measures in the absence of financial support are also easy to make enterprises lose the initiative of management innovation. What is more serious is that many enterprises have not been freed from the fixed thought of traditional management, which also makes it difficult for enterprises to carry out relevant activities. Many small enterprises, especially the technology-intensive ones, are not attractive to high-level talents, and skilled workers with senior titles or above are even more rare. Although the government has introduced a series of talent introduction plans, the high resignation rate and job-hopping rate restrict the development of enterprises to a higher level to a large extent. Usually, the salary of employees is directly linked to the position and length of service, etc. In some enterprises, the widening income gap between senior and grassroots employees leads to unequal emotions among employees. Factors such as the lack of respect and satisfaction for employees' work and the lack of positive returns for personal efforts will affect their internal motivation for work. Enterprises do not have a deep understanding of corporate culture and lack of due attention, so that its construction only stays in a few empty slogans, resulting in employees have no sense of be-

longing to the enterprise. In addition, the way of short-term concentrated learning cannot well integrate the corporate culture into the actual work, and the system of corporate culture construction without the formation of a perfect management system is useless. More and more enterprises have realized the importance of new media and started to train new media marketing talents, however, due to the lack of knowledge and experience, there is a big gap in the talent reserve of new media at this stage.

4.4. Shallowness of Cultural Construction

With the deep integration of traditional culture and international trade, cultural barriers become a problem that cannot be ignored. When enterprises go to explore the international market, cultural difference is the core of enterprise development. Chinese enterprise rooted in Oriental traditional culture pay attention to the integration of centralized management, although people are attracted to different cultures, but moral ideas become "invisible web" and restrict the employees, it in a certain extent, reduce the western companies' consideration of the supervision cost (Ge, 2019). However, in the social context of pursuing maximized profit, some interest groups resist foreign cultural industries in the name of patriotism, and some employees may violate the rules and even affect the harmony of the enterprise in order to pursue interests. In addition, problems left over from history will also cause the phenomenon of cultural discount. Many Oriental enterprises intend to transplant the existing Western corporate culture to China through the way of "bringism" in order to obtain the "short and fast" construction effect, but the final result is gradually stifling their cultural creativity. It is difficult to unify the education level and values of most employees in enterprises, coupled with the uneven quality of part-time workers, which is not conducive to the healthy development of traditional cultural industries in the world. Enterprise culture construction of the way from the traditional chanting slogans gradually transformed into the form of online publicity, offline care. But some enterprise still conduct culture construction in a shallow way, it is difficult to make the employees really recognizing corporate culture, and follow the management of "executes instructions, obey the specification" (Su, 2019). Neglecting the construction of cultural connotation becomes a burden to employees instead. Therefore, if the development of enterprises only increases the number blindly without striving for excellence, it will not only meet resistance, but also affect the long-term development of the entire industry in the future.

5. Innovation Path of Multinational Enterprise Culture Construction

In view of the above prominent problems, the construction of corporate culture should always adhere to the livelihood orientation, take the needs of grassroots consumers as the starting point and the foothold, constantly innovate the system and mechanism in the "development", and establish and improve the cohesive

corporate culture model that meets the needs of modern multinational operation. To promote the participation of multiple subjects (at least stakeholders) in the construction of corporate culture through the consultation mechanism, so as to achieve the mechanism of diverse cooperation, sharing and co-prosperity among relevant parties.

5.1. Reduce the Cultural Conflict in Operation

Cross-cultural management is an effective means to reduce cultural conflicts and create competitive advantages of enterprises. The management innovation of enterprises should first change the concept according to the industry and market environment, formulate the corresponding system and target and analyze, so that enterprises can more clearly understand the shortcomings of management innovation, so as to make more targeted management innovation attempts. If a multinational enterprise adopts the culture of its own country and cannot meet the needs of other countries' markets or integrate into the local culture, its products may be expelled from the market of this country. For example, the United States has a very different phenomenon when it comes to selling refrigerators in its own country and Japan. Sales in the United States have been good, but the narrow land in Japan makes it difficult for large refrigerators to sell well there. So the enterprise should combine local culture with the overseas market, attaches great importance to the cross-cultural communication, respect for cultural diversity, through the scientific method and practical attitude to use cultural differences to explore the market in another country can not only adapted to the host country culture but also achieve the goal of cross-cultural harmony particular mode of operation and management, So that transnational enterprises can create and maintain international competitive advantages. In addition, managers can also guide employees' thoughts and behaviors through words and actions, so that employees can take pride in their dedication to the enterprise and reduce the generation of cultural conflicts. There is no shortcut for the enterprise to integrate cultural of the multinational business, only in the full knowledge and respect for different countries and enterprises under the premise of cultural differences multinational enterprises take appropriate modes of cultural integration, reduce the influence of cultural differences on the company's management level, avoid cultural conflicts caused by cultural differences, so as to realize the strategic objective of multinational operation, enhance the global competitiveness.

5.2. Reduce the Cost of Management Operation

Cultural barriers cannot be completely eliminated. In order to realize the grand blueprint of traditional cultural industries going international, we should not pursue quantity blindly, but pay more attention to cultivating high-quality and representative traditional cultural industries. Excellent corporate culture is the key driving force to promote enterprise innovation. The operation and man-

agement system of multinational companies is often the product of combining corporate strategy with local management on the premise of maximizing corporate profits, but this system design does not cover the needs of employees in other countries and regions. When a certain system of a multinational company is not recognized by employees, employees' resistance may increase the operation obstacles of the management system, thus increasing the operation and supervision costs of the company. The effective integration of corporate culture will weaken employees' resistance psychology and stimulate employees' self-discipline consciousness through common value orientation to a certain extent. Cross-cultural management is conducive to employees' understanding and tolerance of different beliefs and values, so as to improve the flexibility of enterprises in the face of environmental changes and diverse needs. When the mandatory management system is transformed into the conscious behavior of employees, the operation cost of the production, operation and management system of the enterprise will decrease, and the profit of the enterprise will rise accordingly. For example, by establishing the value of "self-financing for enterprise development and emphasizing the spirit of collective collaboration", HP has gradually formed a corporate culture system that advocates reform, innovation and equality, and strives to cultivate an open, transparent and democratic work style. The management finally won valuable social resources for the enterprise, and realized the double harvest of enterprise management benefits and social benefits.

5.3. Create a Favorable Environment for Innovation

The cultural atmosphere of an enterprise is invisible, but it can affect the thought and behavior of employees. In the fierce competition in the international market, the innovation of corporate culture gradually highlights its important role in the development of multinational enterprises. Personnel quality has a great impact on the level of the enterprise, but most of the successful multinational enterprises have a perfect international talent training system. For example, Huawei vigorously promotes the localization of employees and strives to cultivate their creativity and loyalty. It also cultivates a unique corporate culture adapted to internationalization and creates a united, harmonious and positive working atmosphere to enhance the sense of identity of employees and fundamentally resolve the cultural conflicts in the transnational operation of the enterprise. Another example is the training programs and plan of the outstanding global leaders of Toyota and General Electric, which maximize the value of the enterprise. It is suggested that enterprises should cultivate talents according to their actual needs. The limitation of immediate economic benefits will only limit the leapfrog of enterprise operation to a higher level. The company can search professional management and innovative talents through the talent market. At present, college graduates' pursuit of spirit is greater than material things, and traditional passive propaganda and education means cannot improve employees'

identification and trust in corporate culture. Media platforms such as wechat official account, Weibo, Tik Tok and other media platforms can be used for multi-channel publicity, and the last-place elimination system can be adopted in performance assessment to stimulate the internal motivation of employees, so that employees can take the initiative to improve the quality of all aspects of work. In the enterprise outside of training internationalized talents with international vision is one of the cultural conflict of transnational operation for crack enterprises the most effective method, according to the different cultural quality of the employees have to choose to suit their learning methods, advancing with The Times to optimize the teaching content updates, can establish incentive and condense the world different culture and the enterprise values of national staff.

5.4. Establish a Good Corporate Image

Corporate image is often a form of expression of its spiritual culture. Multinational enterprises can convey the construction of excellent management and service to their corporate image through corporate culture. Corporate culture should be built for the whole society. It is not only for the recognition of employees, but also for the approval of the society. Therefore, it should not be built narrowly with the employees of the company as the standard. At present, in addition to the application of Weibo, Wechat and applications, media platforms such as Tik Tok and Kuaishou can also be actively used to carry out multi-channel communication, and timely update the enterprise dynamics based on the actual enterprise values to avoid stereotyped formalism. Excellent spirit of enterprise can not only shape a good corporate image, but also condense the strength of enterprise staff, so as to comprehensively carry out brand image publicity. In the past media publicity, Huawei has taken "customer-centered, striver oriented" and "Wolf culture" as its corporate culture against the background of global operation, constantly improving the competitiveness and profitability of customers, and forming the resource integration of different countries and markets under the inspiration of multinational corporate image. This not only highlights the incentive and cohesion role of Huawei, but also makes Huawei establishes a good brand image in the public's mind and promote the corporate image.

6. Conclusion

In many cases, the communication error in multinational companies is due to the neglect of the transfer of cultural background. An enterprise without excellent culture can hardly strengthen itself among excellent enterprises. Corporate culture is not immutable. Since the beginning of the new century, corporate culture is influencing people's thinking with an unprecedented power and promoting the development of enterprises. Moreover, more and more enterprises are taking the road of multinational enterprises, and the society is showing the characteristics of unprecedented diversification. However, no matter how the technology

progresses and how the industry changes, the progress and sustainable development of enterprises are always inseparable from the promotion of high-quality employees under the influence of corporate culture. All the Fortune 500 companies are worth learning and using for reference of excellent culture, the companies need to integrate the enterprise management and enterprise culture construction, and insert culture in the enterprise management of the code of conduct to promote the sustainable and coordinated development of enterprises. If modern enterprises want to develop steadily, they must be supported by a strong culture and create a corporate culture with their own characteristics. It is hoped that the enterprises going abroad can sum up the experience in the success and difficulties and find a suitable way for their international development.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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