

## Foreword

This publication covers much material on various cultural issues impacting Foreign Direct Investments (FDIs) in contemporary globalism. Some of the issues that have become subjects of debates include: How can multinational organizations survive the multi-cultural differences brought about by the different cultures of the mother and the host country? How should practices of regionalization be adopted amidst the quest for globalization? How much of the national culture (host-country) could impact an organization's culture? Should Multinational Corporations (MNC) or Multinational Enterprises (MNEs) stick to the universal application of management principles, thus continuing to perform on its mother-country bred organizational culture—or continuously try to fine tune themselves towards localization? What cultural competencies should managers and other MNC actors possess to ensure the MNC brings the necessary revenues?

The authors do not pretend to have all the answers to the above questions. However, they have presented case studies and sufficient literature for the reader to reach his or her own conclusions and courses of action.

The commonality of the studies presented in this scholarly endeavour rests on FDIs represented in the various studies as MNCs or MNEs. These large amounts of investments are the major sources of revenues not only for big businesses, but also for the mother- and host- nations. The success of the MNCs or MNEs could have great impact on national economies; thus, it is imperative that FDI's be supported or managed well. The compilation engages the reader into an international business mindset, and it weaves throughout the various chapters of the book implicating organizational culture as directly affecting business performance of the biggest MNCs, as well as the cross-border small and medium enterprises (SME's) which also must consider the cultural differences with their neighbouring nation(s).

The results of studies from various business niches in Latin America, Asia, Middle East, Canada, and other areas mostly geared towards the regionalization or localization of the MNCs. This is contrary to the more popular belief that MNCs bring their organizational culture to their host country. The recipes for success of any FDI are to be global, to remain competitive, and eventually to succeed is not the universal application of management principles; rather, they are to continuously consider emphasizing organizational culture and social relationships.

There are some attempts to offer some approaches in handling the cultural issues. Studies on the impact of biculturalism and localization are revealed, and the book comes close to recommending biculturals (those individuals who practically have been exposed to two cultures) as the MNCs *savior*. Two studies highlight expert trade bridges, cross-cultural experts and advisers, and conflict mediators, all of which positively make a difference for the team, thereby ensuring team effectiveness. In contrast, another study recognizes that certain combination of cultural traits with, "...*high levels of collectivism*,

*uncertainty avoidance, power distance and Confucian dynamism tend to breed people who are more participative, creative, and spontaneous....”*

The findings and conclusions of these cases act as a guide to business venturers in maintaining MNC/MNE operations to secure their businesses' success. Most of these case studies highlight the impact of culture—especially organizational culture to the effectiveness of organizational performance. As could be gleaned from most of their findings, the proper approach to organizational effectiveness is through the management of cultural differences. Thus, this concerted effort shall serve as a very important reference guide to the management of multinational firms how national or regional values and the cultural competencies of managers and other human resources shall influence corporate values and affect business success.

Wherever they are located, MNCs and MNEs must survive; therefore, these entities will do whatever necessary to achieve their goals. Even if sacrificing their globalization gains by adopting more and more local values and incorporating them to their own organizational culture, it is their way to globalization.

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