Chapter 7
Post-Bureaucratic Firms' Internationalization:
A Cross-Cultural Perspective

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ABSTRACT

When post-bureaucratic organizations internationalize, they follow: "Hybridism", "Cyclicity", "Transversality", and "Turbolence". International post-bureaucratic firms need to learn how to manage the increasing diversity and how to pursue hybridization, without scarifying their identity, and the values, which have been crucial for firm's competitiveness. This chapter explores the challenges connected to the internationalization of post-bureaucratic organizations, and focuses on the key role of cultural competence. When firms enter culturally distant markets, they face the opportunities and threats connected with cultural distance, and managers' cultural competence is a key factor for the building up of cultural bridges, that is social mechanisms able to reduce the perception of the distance. Cultural bridges help firms to learn from the environment, and to pursue the final aims of their international strategy.

INTRODUCTION

As Bergquist notes (1994), post-bureaucratic organizations are supposed to follow the typical postmodernist organizational logics:

- "Hybridism",
- "Cyclicity",
- "Transversality",
- "Turbolence",

that may coexist in the same organization. Because of the internationalization, the pushes towards these logics increase and are at the same time opportunities and challenges for firms, which operate on in-

ternational markets. Post-bureaucratic firms need to learn how to manage the increasing diversity and how to pursue hybridization, without scarifying their identity, and the values, which have been crucial for firm's competitiveness. When internationalizing in distant cultural contexts, managers have to adapt to local values and beliefs, in order to avoid cultural shock and the failure of the overall experience (Martinko, Douglas, 1999).

Post-bureaucratic organization need diversity (Ashby, 1964; Maimone, 2005), and internationalization increases this necessity, and creates further pushes towards hybridism. But hybridism and diversity are not familiar to all firms, and in many contexts customers and stakeholder could require a higher level of adaptation more than hybridism. National culture determines indeed the way firms face diversity inside their borders and in the host markets (Steensma et al., 2000; Singelis et al., 1995; Wagner & Moch, 1986). At the same time, it determines the degree of hybridization of the firms, strongly dependent on the acceptance of diversity, and on its integration inside the organization (Torbiörn, 1994; Tung, 1998). Looking at the external markets, cultural distance is the distance between the main values prevailing in the organization and the values characterizing the target market, and when firms are not used to diversity, cultural distance can become a huge barrier. It increases coordination costs, and barriers to knowledge transfer and sharing, and can create communication problems both with subsidiaries and customers. On the contrary, if firms are prepared to diversity, and managers are used to manage it, cultural distance can become an opportunity:

- It makes the firm more opened and prepared to different environment, it enlargers the knowledge borders and improves problem solving (Kreacic & Marsh, 1986; Kogut & Singh, 1988).

Cultural distance is a fact, it cannot be eliminated, but profitable relationships can derive by reducing the perception of the cultural distance through the creation of cultural bridges (Calza et al., 2014). Cultural bridges are useful inside and outside the organization: cultural bridges can improve communication between the headquarters and the distant units above all when international M&As require the integration of different organizational culture or the integration of human resources coming from different cultural contexts. In a similar way, cultural bridges help to build profitable relationships in the host markets to establish a climate of trust.

Cultural bridges rely on cultural competence, which is the capability to understand other culture, to understand the value and implications of diversity. Cultural understanding may be considered the first step to reduce cultural distance (Morosini, Shane, Singh, 1998; Baghat et al., 2002), and to establish valuable relationships for both foreign firms and local stakeholders (Calvelli, 1998; 2013). Managers have to show a deep respect of locals:

- If employees perceive that expatriates value their own culture, pride emerges. On the contrary, if employees feel that their own identity is rejected or denigrated, shame emerges.

This kind of emotion can easily arise in emerging markets, when expatriates come from more advanced countries. According to the sociological theory of identity, different languages, religions, and backgrounds impact on the perception and evaluation individuals develop of others:

- The more different the cultures are, the higher the probability of a large distance between each other, or even of distrust and devaluation.

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