



# A Cross Cultural Quality House in a Global Economy

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## ABSTRACT

In today's booming industry, many business are seeing to have quality their product, premises, factories, merchandise and services to be certificate. Quality certification is becoming more relevant in today's market, mainly because people are more aware of consumerism concept. It is not just about religious related matter but it extends to the products or services being demand safe for customer as well as have healthier benefits. Both standards ISO and Halal certificate have the same feed back to protect the customer, both are the benefits like symbol of quality not only from religious point of view. A new concept about the Eco-Ethic-Bio generation using the same information for consumer is the global market concept.

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## 1. Introduction

Management like any other field of knowledge, must have its sources of innovation, change development in a word evolution. Eduard de Bono the author of lateral thinking as a means of generating new ideas and management can be considered a clearly a source of new ideas, a large potential of innovation which can be explored through lateral thinking (Abrudan, 2012).

Management it is in a continuing changes when globalization economy challenge individuals and communities from different cultures to work and study together when the customer accept the products and used them.

Cross cultural model management is a data base information from each other and create the basis to learn from different human races, culture and social life.

Not at last cross cultural model for management reflect a generation in a global economy, in order to improve the multinational enterprises.

Different culture bring usually various perception and train the travels to culture shock, when the multinational companies are in global market

A significant relationship and the factors with a big impact should be study in the future taking in consideration the relation between managerial behavior, performance of organization and customers needs in a market without borders.

With an increasing number of foreign enterprises operating all over the world, cross cultural management of expatriates is very important.

The article written by Black and Porter gives us some demographic information of samples in its study. The article examines the impact of cultural differences about the cross cultural adjustment of expatriates and discussed the reasons why the researchers hold this study deeply.

Two leading studies of cross-cultural management have been conducted by Hofstede (2000) and Trompenaars & Hampden-Turner (2002)].

Both approaches propose a set of cultural dimensions along which dominant value systems can be ordered. These value systems affect human thinking, feeling, and acting, and the behavior of organizations and institutions in predictable ways.

The two sets of dimensions reflect basic problems that any society has to cope with but for which solutions differ. They are similar in some respects and different in others. The dimensions can be grouped into several categories:

- 1) Relations between people, two main cultural differences have been identified;
- 2) Motivational orientation of societies choose ways to cope with the inherent uncertainty of living;
- 3) Attitudes toward time.

Another two additional categories called **socio-cultural dimensions** were proposed by Aycan and Kanungo (2000). If we take in consideration time as a variable factor, a next global market for products on the 84 countries, on global industry, can be considered like lifestyle. Halal items are confectioning, frozen

food, dairy, bakery, cosmetics, leather, pharmaceutical, perfumes, organic, herbal (Al-Qaradawl, 2007), Alam & Sayuti (2012).

Abdul, Ismail, Hashim & Johari (2009) study the consumer decision in shopping process for Halal food in Malaysia. If we make the translation on today market we will discover a niche for products and services market. It is possible to be used for a population around 2 billion worldwide, the fair is organized to address the Halal and sanitary products demand of the Muslim population and it is expected to provide opportunities both for exporter and manufacture companies from all over the world.

The evolution of goods with the transactional approach to product specification study by Anderson (1994) with consideration to Al-Qaradawi (2007), Alam&Sayuti (2011) articles and applying the theory of planned behavior we identify the Halal logistic, is important to unsure that a Halal product remain Halal from the beginning to the consumer equal with quality from the beginning to the end of manufacturing process.

Today, in Australia, Canada, UK, Malaysia and Europe are just few countries which develop and implemented this kind of products and services, under Halal certificate.

In Europe only 20-25 % are involved in Halal market share, some examples are Nestle Company, TESCO, Colgate Carrefour and Auchan supermarkets, some examples which are now aggressively pursuing the Halal food retailing. Turkey is already promoting itself as the Halal gateway to Europe. The biggest market like France, Germany and the UK have specialized wholesalers Carrefour, Auchan and Tesco with Halal food industry. The companies involved in Halal product are from food, cosmetics, cleaning materials, fashion even in hotel and tourism activities.

The enter on Halal market (Middle East, Asia Pacific, EU, USA, Central Asia) the benefits will be with 200% greater on that market share, that's mean no lose of non Muslim market clients. Companies that manufacture Halal ration packs, to ensure customer satisfaction is met the manufacture should only use high quality ingredients in order to maintain a high standard all the time. There should be no compromise when it comes to the quality of the ingredients and the prepared food.

Harris & Moran (2000) established the differences in cultural managing, the leadership strategies for New World of Business but even if we are in a global industry, we don't have enough communication to inform the customer, a intercultural communication ( Bennett, 2005).

On the other hand in her article Barbuta, Misu (2012) realized an analysis of the financial structure influence on the cost of capital in multinational companies and inform us that culture has economic effects, with remark that both quality and cost have their own signification sphere (Abrudan, 2012).

## 2. Case study

A niche in promoting the values and good in a contemporary world is a future vision for 21<sup>st</sup> Century when a global economy it is arising on horizon.

Halal certification promote cleanness in all aspects, it is a new benchmarks for quality (Bonne&Verbeke, 2008). Cleaning a lot, needs a lot of attention, so the cost are direct proportional with the quality evaluation on each phase the question it's: **How much the customer is ready to pay?** The Halal market is fast becoming recognized as a vitally important emergency market sector, it is a new market force that should not be overlooked.

The area of common behavior of different culture on market share of products and services is exacting to be explored and study. The world demand is not restricted as customers also consist in people from diverse race and religious beliefs, this providing a huge bust to the Halal industry.

Making sense of change management players from this sector of the industry from the huge multinational to small entrepreneur are trying to capture their share of this growing market ( Bramming & Larsen, 2000), (Cameron, 2004).

The 5 keys areas are the main forces in the Halal (Abdul & Johari, 2009, Al-Qaradawi, 2007):

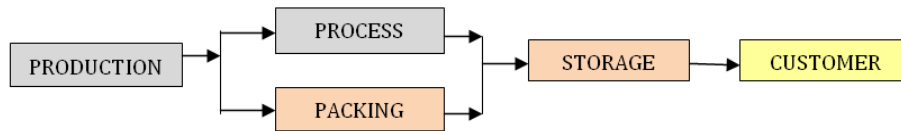
1. Safety and quality food;
2. Namely management;
3. Receiving;
4. Processing and handling;
5. Delivery and storage.

Taking in consideration the traditional management of Hampden-Turner and Trompenaars (2000), in building a cross cultural competence, the study identify the common point between the ISO standards and Halal request in the management production logistic.

The study suggest that bigger population should be involved in examine the relationship between the culture and quality product and the perception towards and quality logistical process (Hofstede, 2000) with a visionary marketing for 21<sup>st</sup> Century which facing the challenge with modeling effects of labeling (Juhl & Fjord, 2000).

The Logistic Halal Management and the stages of organizational change are present in figure 1., the quality it is supervise, measure and evaluate in each stage of production, process and it is continuing after the manufacture of product or service with packing, labeling and storage.

**Figure 1.** The stages of organizational change



Source: By author

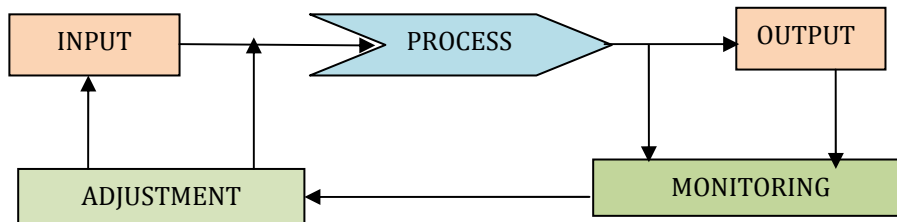
### 3. Method of research

#### 3.1. A comparison between the two Quality Management control - ISO and Halal standards

Business process can be stimulated using both standards, assure the customer that they do not add any kind of preservatives and have long shelf life.

There are especially design, so that are easy to carry from one place to under, the area of consumer behavior is exacting to be explored and study (Tumay, 1995). As we know, there are different cultures in different countries and different management problems in different multinational enterprises, so to solve the different management problems we should learn and use lots of measures. The article gives us a discussion of cross cultural management, and discusses about cross cultural management of expatriates, and examines the impact of cultural differences about the cross cultural adjustment of expatriates.

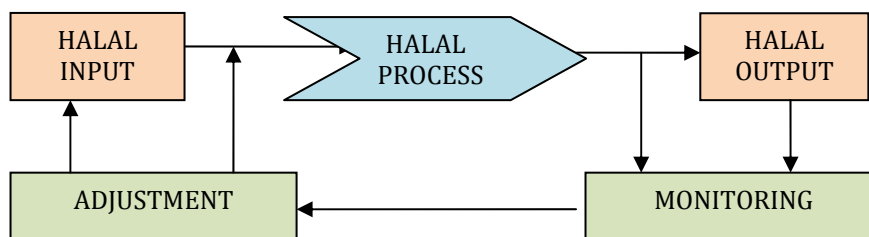
**Figure 2.** Basic process - Quality Management Control



Source: Realized by the author.

If we make a comparison with a basic process (like in figure 2), endorsement scheme issued to manufacture importers and exporters who intend to import/ export their Halal certificate products (figure 3), the conclusion is that the both process are similar structured with same stages.

**Figure 3.** Halal Process control



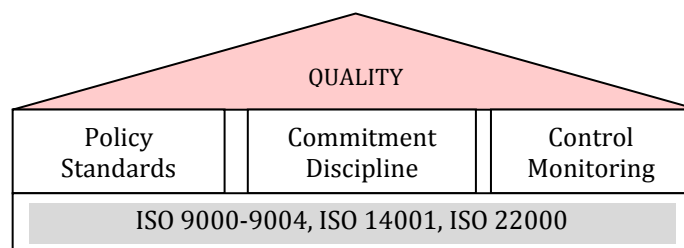
Source: Realized by the author.

The ways consumers behavior act and decide describe the connection indicate that the contribution of the safety, hygiene, marketing towards purchase behavior. The ways consumer behavior act and decide describe that the contribution of the safety and marketing towards purchase behavior (Bennett, 2005), (Bonne & Verbeke, 2008). The finding will be careful far marketers to better develop their products and concept with complete strategy.

The study suggested that a bigger population should be involved in examine the relationship between the culture and quality products needs and demands. The study also includes the variable of perception towards customers behavior and cross culture perception: eating establishment scheme, product scheme, whole plan of manufacturing scheme and storage facility scheme.

Halal notion internationality is accepted standards in product and hygiene, but it is not visible enough for the customers and on the market. If we will take in consideration the Quality House, we can identify the pillars which will held the Quality rough for ISO and Halal standards (see figure 4).

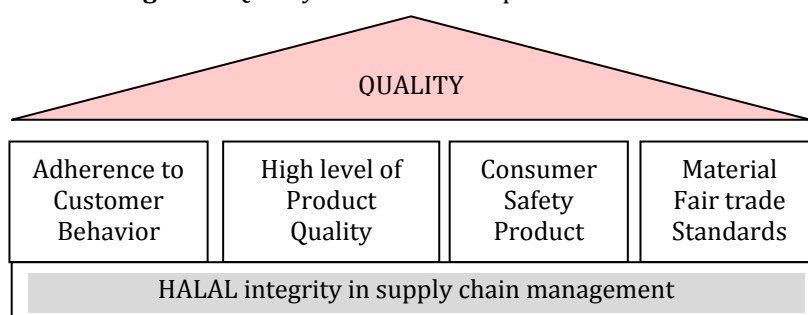
**Figure 4.** Quality House for ISO standards



Source: Realized by the author.

Quality is a market exigency and if it doesn't exist it has to be imposed on, or otherwise the same market will eliminate the product or service company in question, quality acting in that case as a hygienic agent. (Brunso, Fjord&Grunert, 2002). Culture has economic effects and might be moved within this area, she is a tank of experience with a informatics impact culture select (see figure 5).

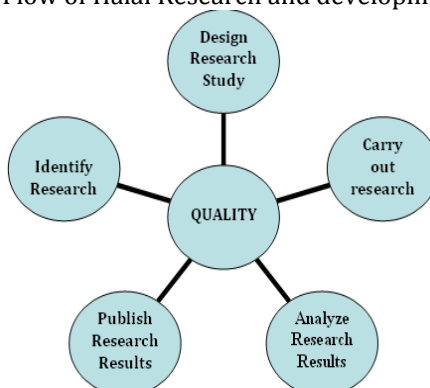
**Figure 5.** Quality House for Halal pillars standards



Source: Adaptation under *The global Halal Food Market & Updates on Global Halal Standards [1],[7],[8]*

Also another example with a big impact on market consumer it is applied in Macedonia for some food products using the both system labeling product with Halal and ISO symbols for customers needs and utilities. That is the result of R&D organization department open to innovation and a change management orientation on a global market. Research and development department from organization has the following structure in both system ISO and Halal Industry (see Figure 6).

**Figure 6.** Flow of Halal Research and development (R&D)



The logistic management already applied in practice it is assurance by Rotterdam harbor, Marseille Harbor in Europe, some key players in the Halal market industry are:

- Nestle- world largest food manufacturing corporation,
- McDonalds –the world largest leading restaurant chain,
- KFC –fully integrated poultry chain
- Port Rotterdam –Europe largest and 3<sup>rd</sup> largest port.

Halal certified product industry has reached market size worldwide, of rapidly extended in Turkey as well. transport which is referring of the trade or certified quality, products that have meet rigorous discipline, store, secured place separate of non- Halal products ( see figure 7.).

Quality it is a passport to doing business with his two elements Quality System and Quality certification: integrity, safe and hygiene, social responsibility, producer liability and liability demand.

**Figure 7.** Flow of cross cultural Quality product



Source: Realized by the author

Halal needs to be properly marketed and perhaps rebranded, it has the potential to become a standards associated not only with product quality, but also with the international best practice throughout the entire supply chain. Halal trade is currently contributed to less than 10% of global trade, many Muslims as well as on Muslims worldwide still do not have access to Halal products and services, so Halal is not just about religion it is about quality. Halal benefits like symbol of quality are not only from religious point of view, but also :

- improve quality into global standards;
- improve the food preparation, hygienic systems;
- meeting varied customer needs;
- entrance malleability of products in different countries/ market;
- opportunities to gap a global Halal product market.

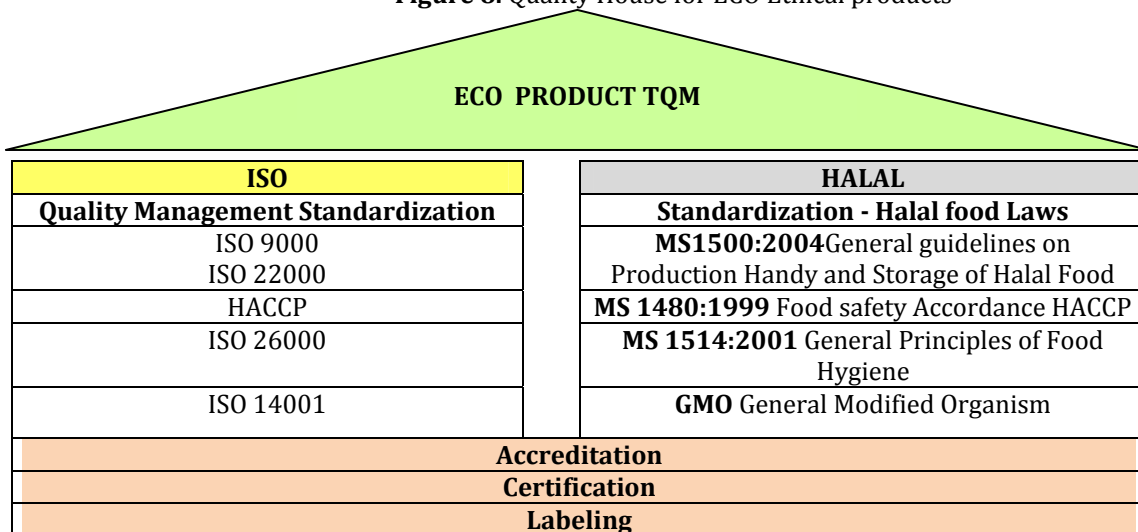
Most of the problems are regarding the certifying body such as ISO/ Halal, refers to international standards. This refers to management and organizational matters in the production of Halal products.

Other certifying bodies like HACCP, are on procedural requirements on how people should work, how the employers and workers should work without encountering hazardous materials and substances within the working premises

### 3.2. A Cross Cultural Quality House

The cross cultural model for quality as a conceptual model for understanding how individuals achieve change and as a diagnostic tool for identifying new opportunities on market, and to confirm the necessity for a common effort for a new Eco Ethic Products for global market ( see figure 8.).

**Figure 8.** Quality House for ECO Ethical products



Source: By authors

Beyond geopolitical consideration quality must be socialized down to the level of the human individuals. Because of its differentiating valence, quality appears to be a trendy concept and can be associated with other four concepts order, differentiation, globalization and evolution (Abrudan, 2012).

When people are faced with a new approach, or a new way of doing things and even when they know how to change, it takes time for them to fully accept the change.

This is where day to day managers leadership is so important, in helping to solve problems arising from the change and generally to deal with the new market provocation.

Many change initiatives fall at last hurdle in that they are happening, but rather than becoming embedded in the daily routine, over time focus on the change slips, or something new comes along.

In that sense it is a useful conceptual model because quality will represent a powerful tool for identification within the identity certification trend.

Maybe globalization and differentiation should be analyzed together because in a certain way they act simultaneously. Considering that the concept of quality of crystallized around itself an entire system of management the question becomes what happens next?

#### 4. Results

The study present a top-three elements performance list for management change: disciplinary structure. ethics and identity performance .

Customers are concerned on the quality of the products being produced such as the origin of its raw materials, how they were processed, the safeties were imposed on preventing any contamination of the products both from raw materials or its finished products.

In management inside culture generated a wide research thematic called organization culture, from which concrete results are expected in order to outrun the apparent saturation level in organizations performance (Abrudan, 2012).

There were only few arguments for which culture is more than a jewelers in the crown of development it is a open innovation for future.

Change can not be denied, the concept of organization culture would be a return to organization, to classical school of human relations and for school of behavior.

In the article, it discusses a lot of demographic information of many samples, and the results can be understood easily through the means, standard deviations and correlations for the variables in many tables.

In addition, both theoretical and practical implications of cross cultural management of expatriates are discussed.

Today if we realized a SWOT Analyze ( see table 1), for global market, we can identify the strong and weak point, but the opportunities are the gate for future, a vision for a 21<sup>st</sup> Century when the managerial function seems to be exit from equation of pride and enter more and more in utility equation, an equation of *win-win*.

**Table 1.** SWOT Analyze for Quality System certification

<b>STRENGHT</b>	<b>Q U A L I T Y M A N A G E M E N T C H A N G E</b>	<b>WEAKNESS</b>
<ul style="list-style-type: none"> <li>• a symbol of quality</li> <li>• quality management/product/service</li> <li>• under international standards</li> <li>• integrity</li> <li>• large population</li> <li>• fastest growing market segments</li> </ul>		<ul style="list-style-type: none"> <li>• no established standards</li> <li>• no communication with customers</li> <li>• need a procedure to obtain the accreditation</li> <li>• Halal perception Management</li> <li>• Consumer are not so educated</li> </ul>
<b>OPPORTUNITIES</b>	<b>Q U A L I T Y M A N A G E M E N T</b>	<b>THREATS</b>
<ul style="list-style-type: none"> <li>• global market</li> <li>• ISO Quality standards</li> <li>• customer education</li> <li>• safe nutrition/ consumer/product</li> <li>• market share and branding</li> <li>• green products ECO products</li> <li>• new media</li> </ul>		<ul style="list-style-type: none"> <li>• conflict of interests</li> <li>• programs and not certificate</li> <li>• manufacture compassion, empathy and integrity</li> <li>• keep out research not to confuse people</li> <li>• consumer believed what they want to believe</li> </ul>

Consumer may discern the products through the logo or name of the recognized foreign Halal or quality standard certification body on the product label. The significant for natural symbol it is: without alcohol and pork fats, no preservatives, no artificial coloring factors and no artificial sweeteners.

ECO -Ethical style is a future life style on a growing market in the world for long term economic viability management organization it is necessary to take the following elements as a new concept of reengineering of business (Table 2).

1. no more testing of raw materials
2. no exploitation of animals to obtain raw materials,
3. caring for environment and reducing the carbon footprint
4. development of 3 R's recycling, reuse and reconversion
5. implementing the social innovation
6. natural formula and products which are free from harmful ingredients
7. corporate social responsibility

**Table 2.** New concept for ECO Ethical product

Industry players	Consumers	Community
Labelling the products with both standards	Understood the standards	Community investment
Highest food standards	Better certification on food requirements	Eco system protection
Better understanding of customers needs	Interest in dissemination of benefits	Rural development for organic food
Understand and apply safety and quality foods	Human welfare	Sufficient quality products and production
Increase the business	Business ethics	Healthy product and services
<b>Capable to be competitive on a global market</b>		

*Source: Realized by the author*

## 5. Conclusion

This research was conducted through different countries to identify dimensions and antecedents of buyer-seller relationships quality. In light of the findings dimensions of relationship quality have emerged: mutual trust, partners' commitment in the relationship, cooperation and creativity and innovation.

Also, the research identifies several key success factors in business relationships that are grouped into different categories: factors related to relational behaviours and factors related to characteristics of the offer.

The research analysis using the cross cultural model present those managers which feel most comfortable managing a new kind of model adapted with a new customer generation.

Halal quality as well as ISO are symbols not only quality, but they request some supplementary attention from government, here including the following steps:

- ◆ challenge is consensus on compliance ISO and Halal standards regarding the product qualities,
- ◆ one market to build customer confidence;
- ◆ customer education and information.
- ◆ more quality to the management level;
- ◆ redefining the market a better quality of life here we include : hostel and hospitality, financial and banker sector, services, cosmetics, food.

**The benefits for consumer.** A question seeking for response within consumer about the dual system for quality standards, received the following answer for customers needs and utility :

- ◆ understanding the Halal / ISO food production supply chain;
- ◆ better insights on the quality products certification requirement;
- ◆ spur interest in becoming organic -eco- green producer entrepreneur;
- ◆ natural, organic, healthy and environmental friendly.

**The benefits for economy** are for:

- ◆ industry players;
- ◆ better understanding on safety and quality compliance;
- ◆ increase business know/how and prepare the business to be competitive;
- ◆ strengthening the food product branding by complying to the highest food standard;
- ◆ potential market;
- ◆ manufacturing: compassion, empathy and integrity.

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