

Cross – Cultural Management

Part 1

Course: GMT 5101
2. Semester

MBA Hochschule Pforzheim
March 2015

Literature

- Books

- Adler, Nancy. International Dimensions of Organizational Behavior. Southwestern, 2007
- Branine, M. Managing Across Cultures : Concepts , Policies and Practices London : Sage, 2011
- Dumetz Jerome, Cross-cultural Management textbook, Student Edition, 2012
- Hall, Edward T., Mildred Reed Hall. Hidden Differences. Studies in International Communication: How to communicate with the Germans. Hamburg, 1983.
- Hampden-Turner, Charles M., Fons Trompenaars: Building Cross-cultural competence. Chichester (Wiley), 2000
- Hofstede, G. (1984). Culture's Consequences: International Differences in Work-Related Values. London: Sage.
- Trompenaars, Fonz and C. H. Turner. Riding the Waves of Culture. McGraw-Hill, Second Edition, 1998.

- Academic Papers

- HBR case studies

Course Topics

- Chapter 1:

- Overview

- Syllabus and course requirements
 - What is culture and why is it important?
 - How do people react to cultural differences?
 - What disciplines study culture?
 - Can we measure or graph cultural differences?
 - Is it possible to change a culture? If so, how?
 - What does culture have to do with business?

- Chapter 2:

- Comparing Cultures

- Cross-culture research as of today
 - Ways of describing cultural differences
 - The historical origins of beliefs and values

- Chapter 3:

- Culture Dimensions

- Dimensions relating to people
 - Dimensions relating to time
 - Dimensions relating to the world

Course Topics

- Chapter 4:
 - Culture and Communication
 - What is communication?
 - How native language is influencing our way of communication
 - Non-linguistic communication

- Chapter 5:
 - Organizational Culture
 - What is corporate culture?
 - Models of corporate cultures
 - The role of corporate culture

- Chapter 6:
 - Culture and Marketing
 - Cultural aspects of product and services decisions
 - Cultural aspects of prices decisions
 - Cultural aspects of place decisions
 - Cultural aspects of promotion decisions



Chapter 1:

Overview

Background
Definitions

Common Assumptions


but very dangerous!

"Business is business wherever you go..."

"The world has become a global village..."

"As long as they speak English, everything will be alright..."

"If they don't speak English, it doesn't matter- we just need to employ interpreters and translators..."



*"The biggest problem with globalization
is that all human beings are blinded
by their cultural assumptions,
whether they know it or not."*

Dr. David L. Dotlich executive VP of Groupe Bull



Reconciling Business and Culture

... managers and supervisors do not truly understand what culture is. That is, they don't know how culture operates, the part it plays in shaping people's attitudes and ultimately how it determines much of their behaviour.

Not really understanding what culture is or how it works, they cannot be expected to know that cultural differences could be a problem in the workplace ... they think people are just choosing to be difficult.

(Storti, 2000)

The Reason Why CCM is Becoming More and More Important

Four Challenges

Globalization



Diversity

Ethics

Technology

Managerial Implications: Beating the Challenges

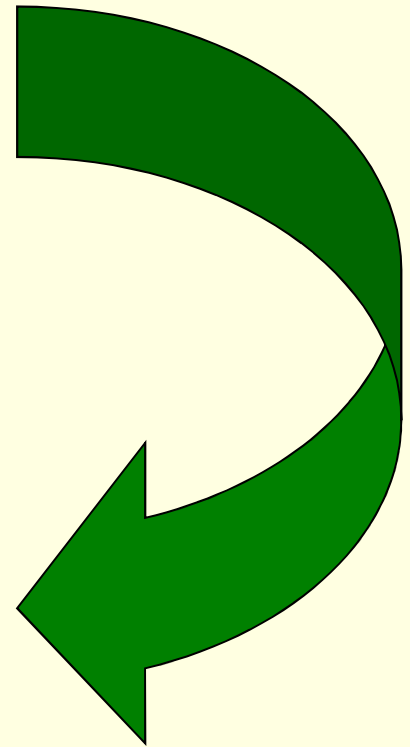
- Organizational success depends on managers' ability to address the challenges of globalization, workforce diversity, ethics, and technological innovation.
- Successful organizations and managers view these four challenges as opportunities rather than as threats.
- *Failure to address these challenges can mean costly losses, damage to reputations, and ultimately an organization's demise.*

Changing Business Perspectives

From **International** (which implies an individual's or organization's held nationality is strongly in consciousness)



To **Globalization** (which implies the world is free from national boundaries and that it is really a borderless world)

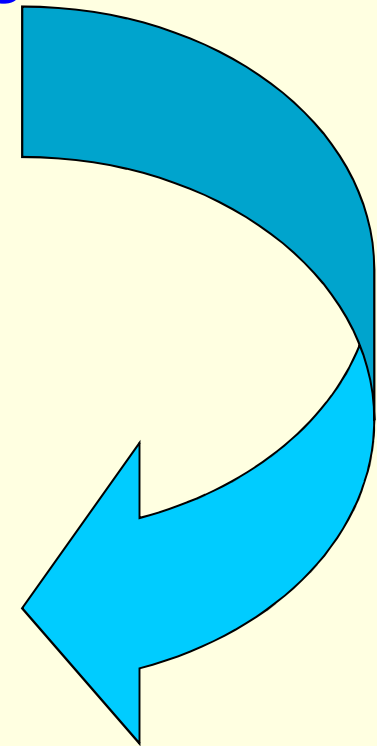


Changing Business Perspectives

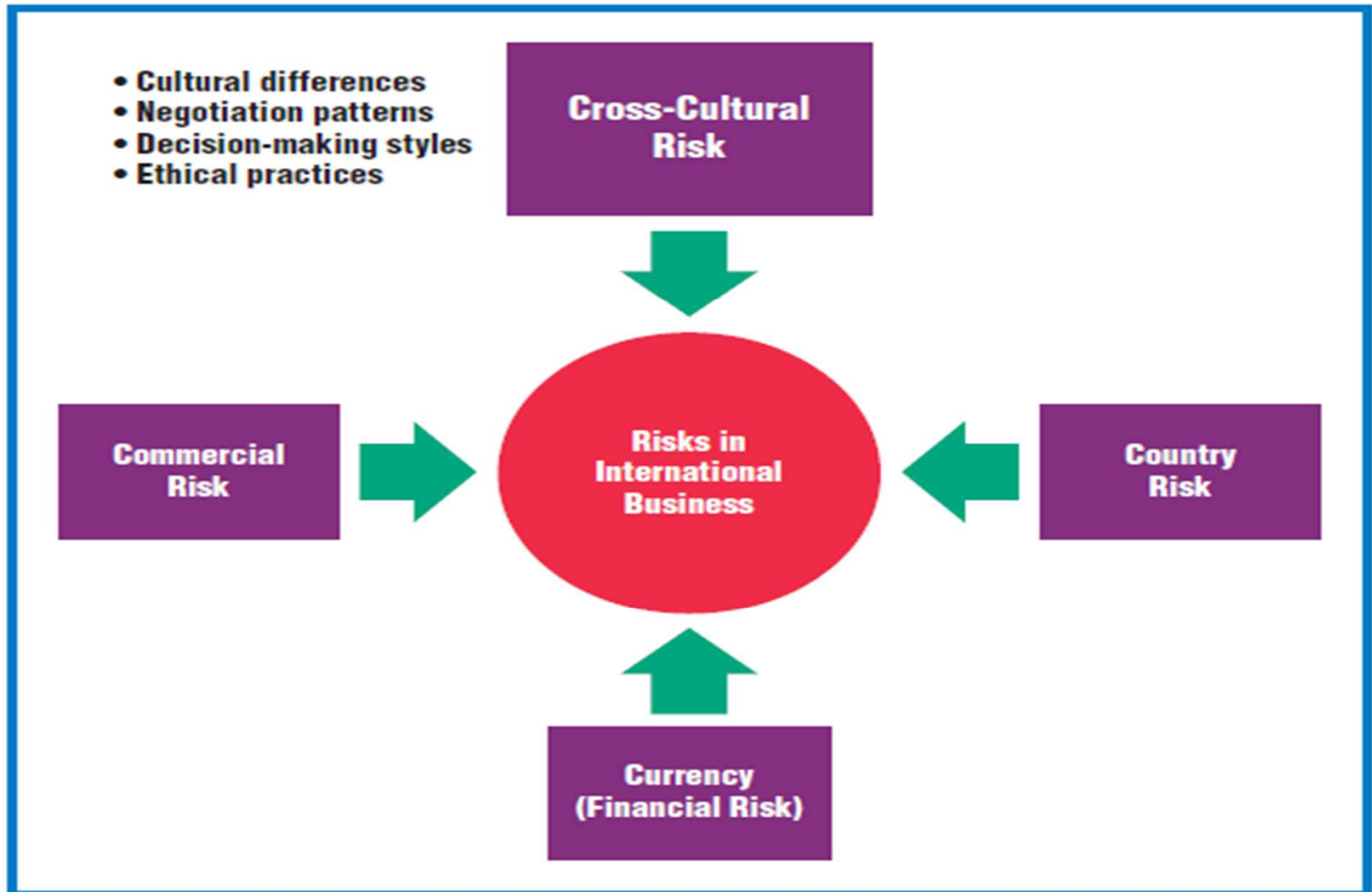
From **Multinational Organizations**
(in which the organization was
recognized as doing business
with other countries)



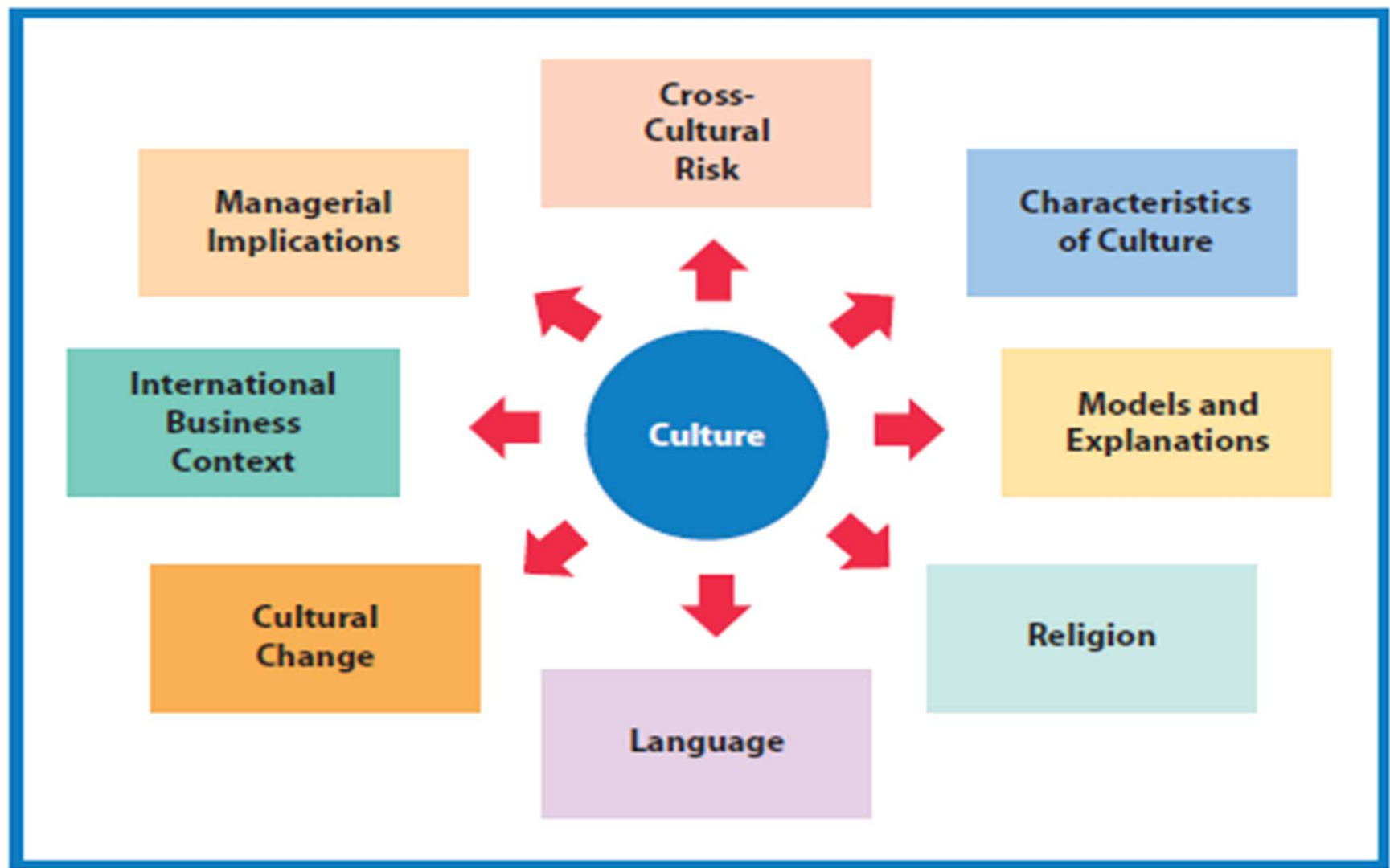
To **Transnational Organizations**
(in which the global viewpoint
supersedes national issues)



The Four Risks of International Business



Essentials for Understanding Culture



The Nature of Culture

- The word « culture » comes from Latin « cultura », which refers to cult or worship.
- In management aspect, « culture » means acquired knowledge that people use to interpret experience and generate social behavior.
- This knowledge forms values, creates attitudes, and influences behavior.

Culture Is...

- **Not right or wrong** – It is relative. There is no cultural absolute. Different nationalities simply perceive the world differently.
- **Not about individual behavior** – It is about groups. It is a collective phenomenon of shared values and meanings.
- **Not inherited** – It derives from the social environment. We are not born with a shared set of values and beliefs; we acquire them as we grow up.

This implies

- culture includes systems of values
- a culture is particular to one group and not others
- it is learned and is not innate
- it is passed down from one generation to the next
- it influences the behaviour of group members in uniform and predictable ways.

Culture is Learned

- **Socialization:** The process of learning the rules and behavioral patterns appropriate to one's society.
- **Acculturation:** The process of adjusting and adapting to a culture other than one's own; commonly experienced by expatriate workers.

Key Concepts

- **Culture:** The learned, shared, and enduring orientation patterns in a society. People demonstrate their culture through values, ideas, attitudes, behaviors, and symbols.
- **Cross-cultural risk:** A situation or event where a cultural miscommunication puts some human value at stake. It arises in environments characterized by unfamiliar languages and unique value systems, beliefs, and behaviors

What is culture?

- 'Culture consists in patterned ways of thinking, feeling and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artefacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values.'

Kluckhohn & Kroeber, 1951: 86 cited in Hofstede, 2001: 9

- 'the collective programming of the mind that distinguishes the members of one group or category of people from another'

Hofstede, 2001: 9

- 'Culture is the characteristic way of behaving and believing that a group of people in a country or region (or firm) have evolved over time and share.'

Briscoe and Schuler, 2004: 116

Definitions

- Culture is “the sum total of ways of living built up by a group of human beings, which is transmitted from one generation to another”
(*The Macquarie Dictionary*).
- Culture is the human-made part of human environment - the sum total of knowledge, beliefs, art, morals, laws, customs, and any other capabilities and habits acquired by humans as members of society
(Cateora 1993, *International Marketing* 8th edn, p. 97).
- Culture includes the entire heritage of a society transmitted by word, literature, or any other form. It includes all traditions, habits, religion, art, and language ... Culture reflects the human aspect of a person's environment; it consists of beliefs, morals, customs, and habits learned from others
(Jeannet and Hennessey 1992, *Global Marketing Strategies* 2nd edn, pp. 74-75).

John Bodley (1994): Diverse Definitions

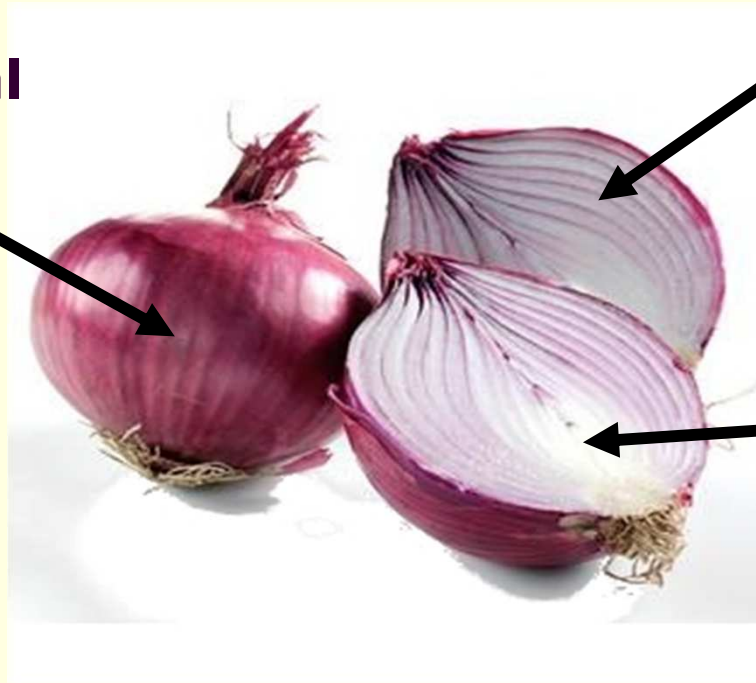
Topical:	Culture consists of everything on a list of topics, or categories, such as social organization, religion, or economy
Historical:	Culture is social heritage, or tradition, that is passed on to future generations
Behavioral:	Culture is shared, learned human behavior, a way of life
Normative:	Culture is ideals, values, or rules for living
Functional:	Culture is the way humans solve problems of adapting to the environment or living together
Mental:	Culture is a complex of ideas, or learned habits, that inhibit impulses and distinguish people from animals
Structural:	Culture consists of patterned and interrelated ideas, symbols, or behaviors
Symbolic:	Culture is based on arbitrarily assigned meanings that are shared by a society

What is culture?

The layers of culture/onion metaphor:

Visible cultural differences

Language
Housing
Food
Clothes



Norms and values

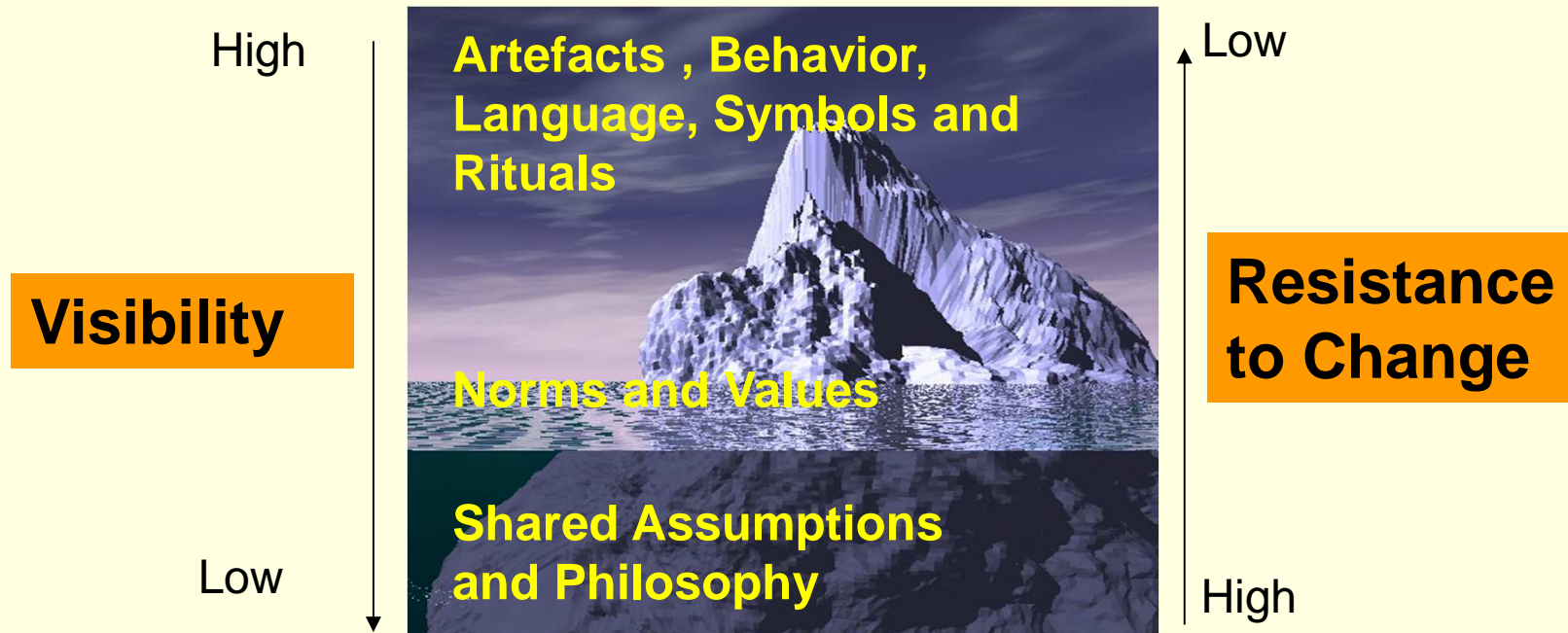
What we can do and cannot do.
What is right or wrong.

Key beliefs

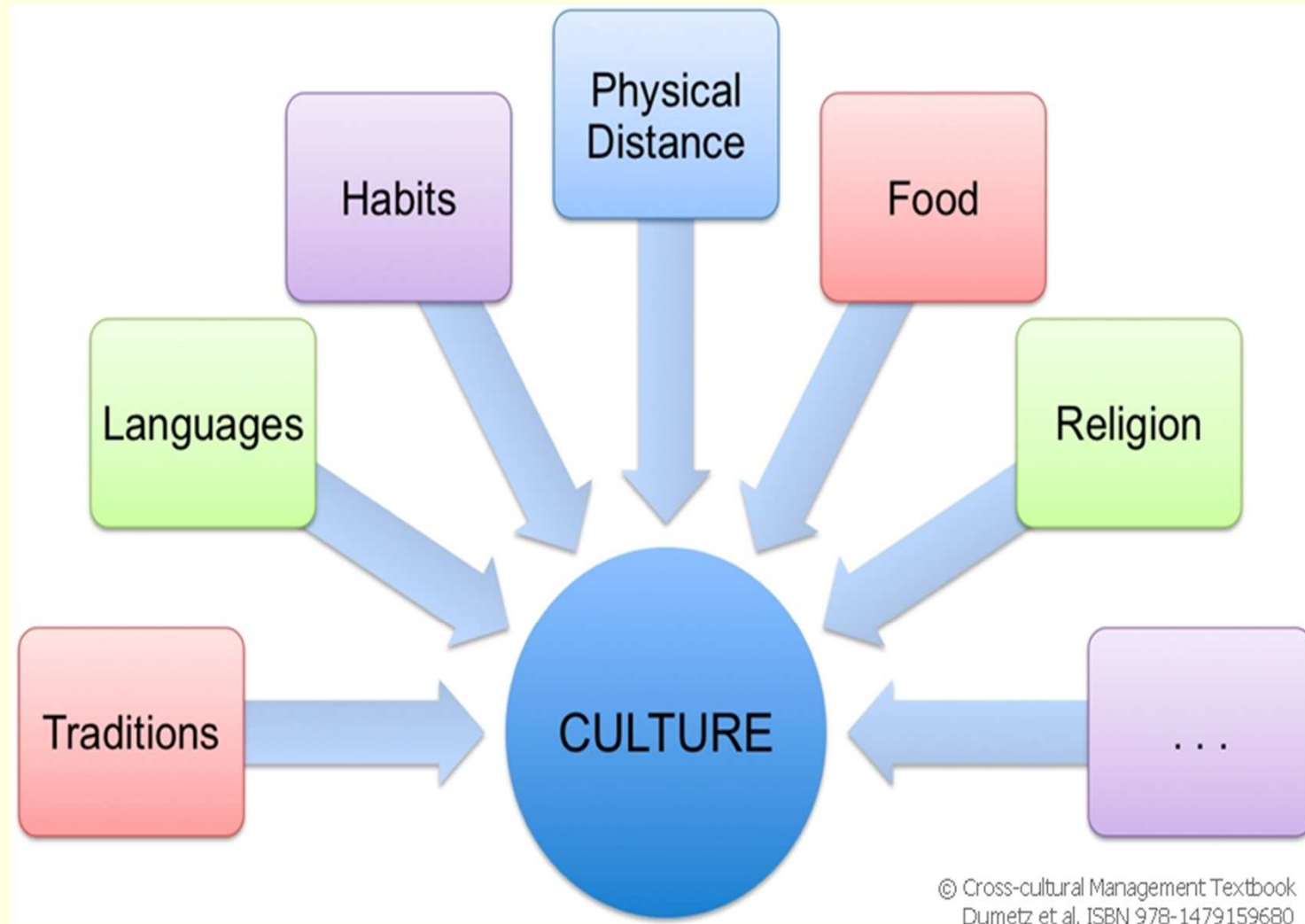
Our understandings about what is true.

Other metaphors such as iceberg and ocean have also been used.

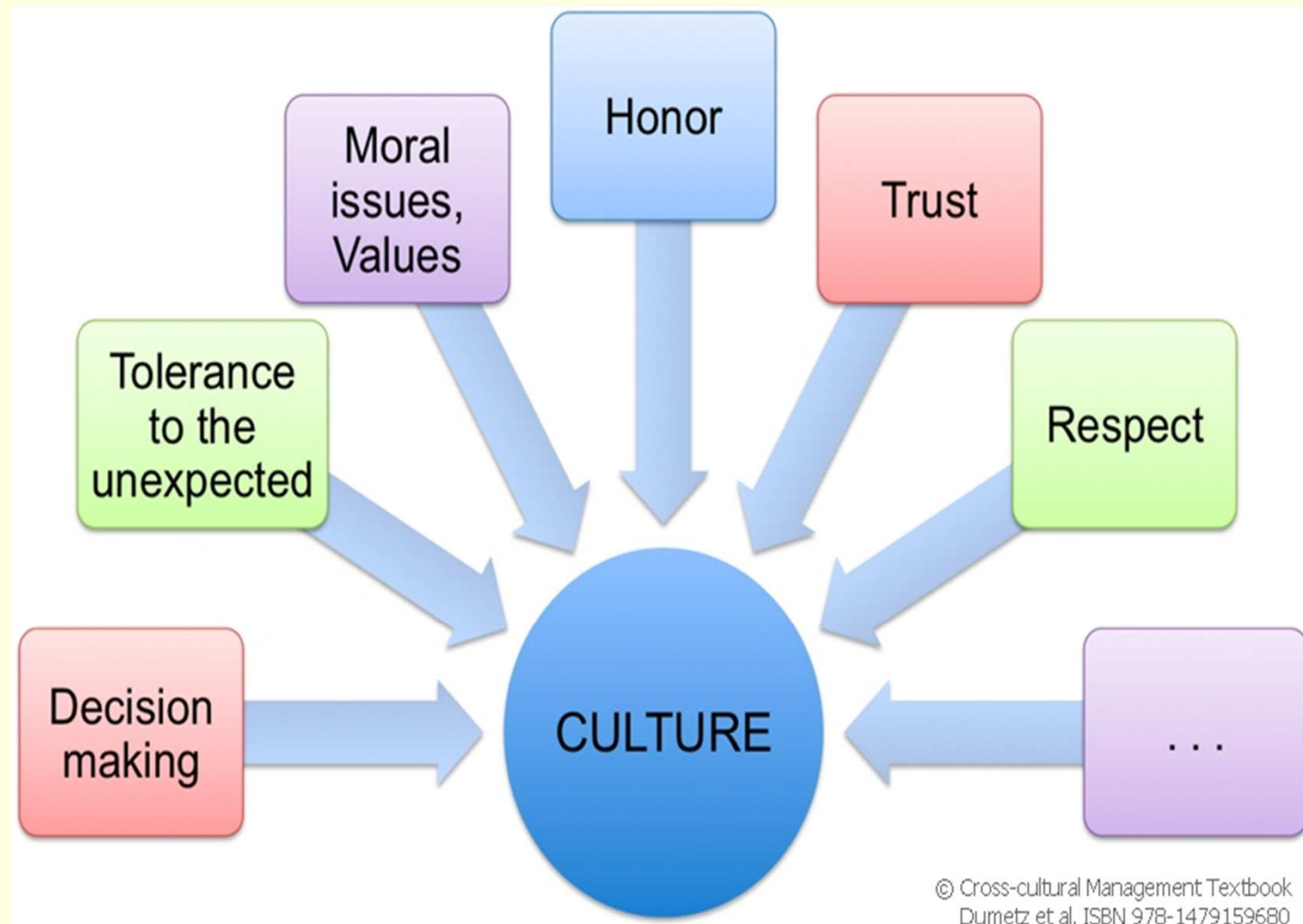
Layers of Organizational Culture



Comparing cultures



Comparing cultures



Cultural Values, Beliefs and Attitudes

- **Values** are defined as assumptions about “how things ought to be” in the society. They are often held at preconscious level and may never fully articulated.
- **A Belief** is a conscious certainty that something exists, or is good, in the society.
- **An Attitude** is normative – a conscious stance about how people ought to behave in the society.

Cross-Cultural Management as of Today

- Culture consists in patterned ways of

- Thinking
- Feeling
- Reacting

acquired & transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artefacts

The essential
core of culture

consists of

traditional ideas &
their attached values



Chapter 1:

Sociatal Culture

The U.S. Has Diverse Cultural Roots

table 4-1 The United States, a Nation of Immigrants, Has Diverse Cultural Roots

If the 312+ million people in America could be reduced proportionately to a village of 100 people, their ancestry would have the following profile:

German	15 people
Irish	11 people
African	9 people
English	9 people
Mexican	7 people
Italian	6 people
Polish	3 people
French	3 people
Native American	3 people
Scottish	2 people
Dutch	2 people
Norwegian	2 people
Scotch-Irish	1 person
Swedish	1 person
All other immigrants	26 people

Societal Culture Is Complex and Multilayered

- **Discuss the Complexity of Societal Culture in USA**
 - **Topics:**
 - Which set of beliefs and values exist?
 - What is desirable and undesirable in a community of people in an US company?



Chapter 1:

Culture and the Business World

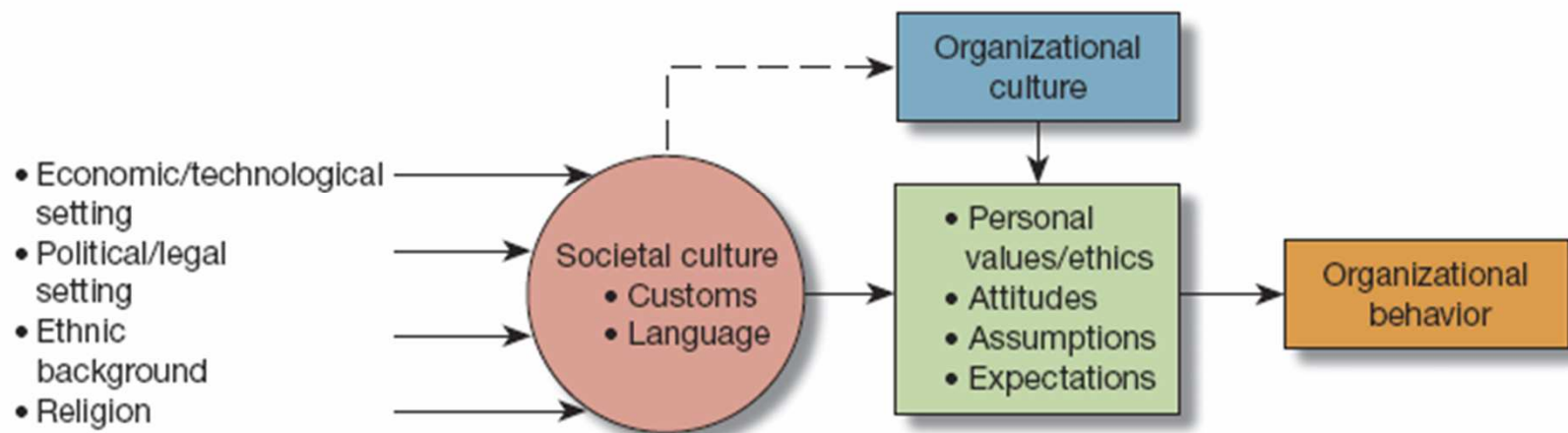
Difficulties in Developing Globalized Products

- Diversity of worldwide industry standards
- Difficulty in managing global companies and the lack of agreement on organizational structures and systems
- Subsidiaries need to develop their own abilities, talents and local knowledge

Diversity of taste and demand
Hoecklin, L. 1995. *Managing Cultural Differences: Strategies for Competitive Advantage*,
The Economist Intelligence Unit / Addison Wesley.

Cultural Influences on Organizational Behavior

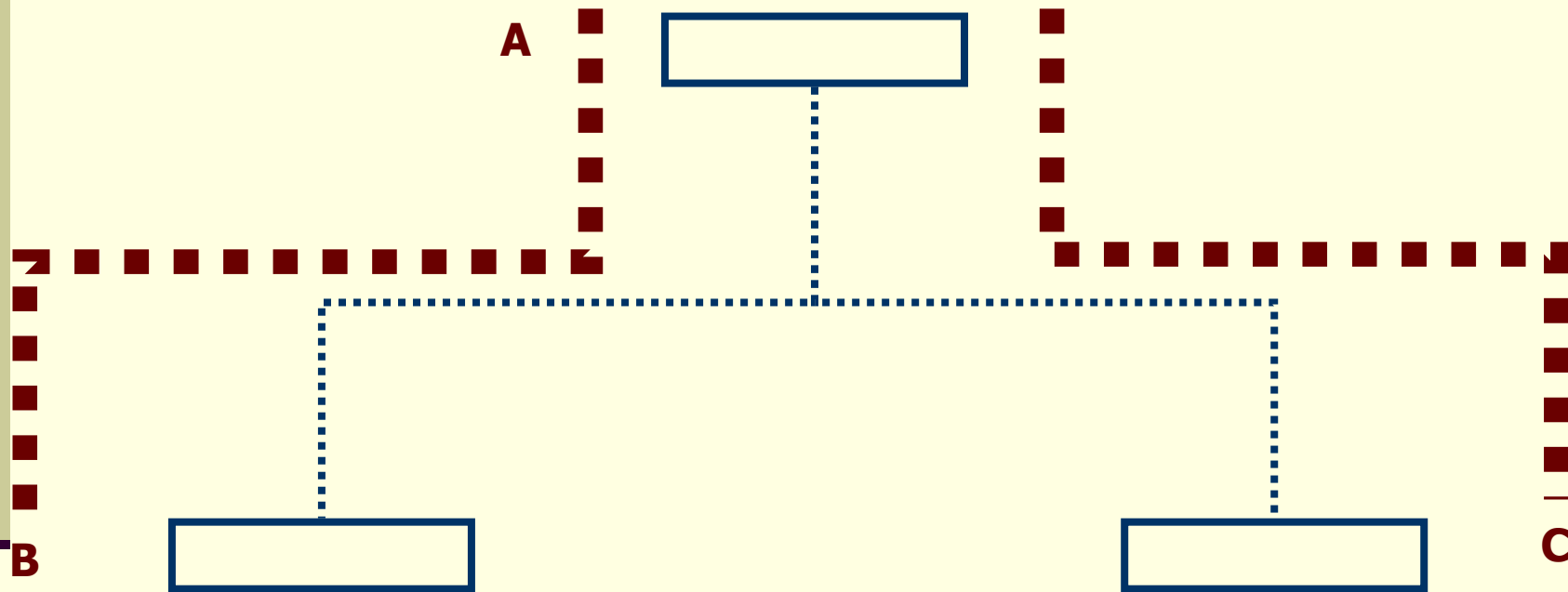
figure 4-1 Cultural Influences on Organizational Behavior



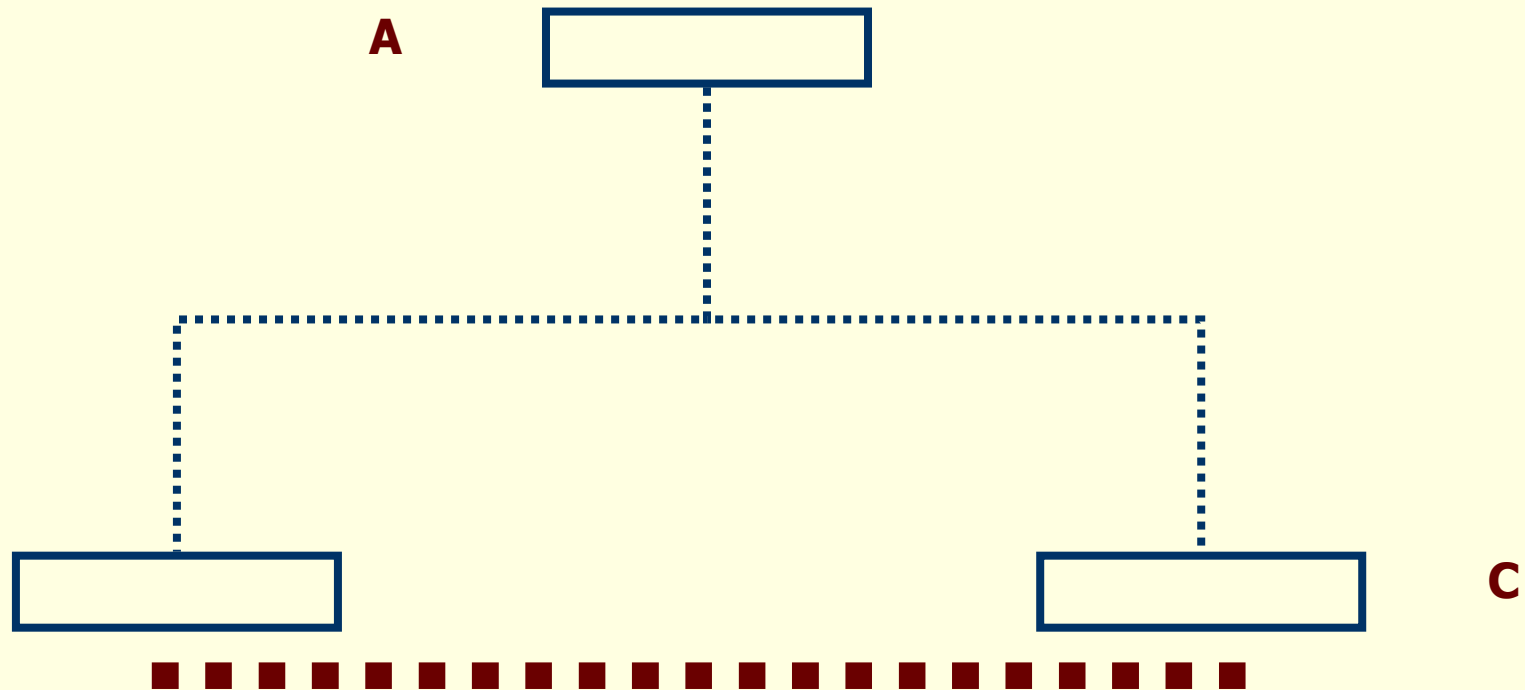
A Model of Societal and Organizational Cultures

- Employees bring their societal culture to work with them in the form of customs and language
- Organizational culture affects an individual's values, ethics, attitudes, assumptions, and expectations

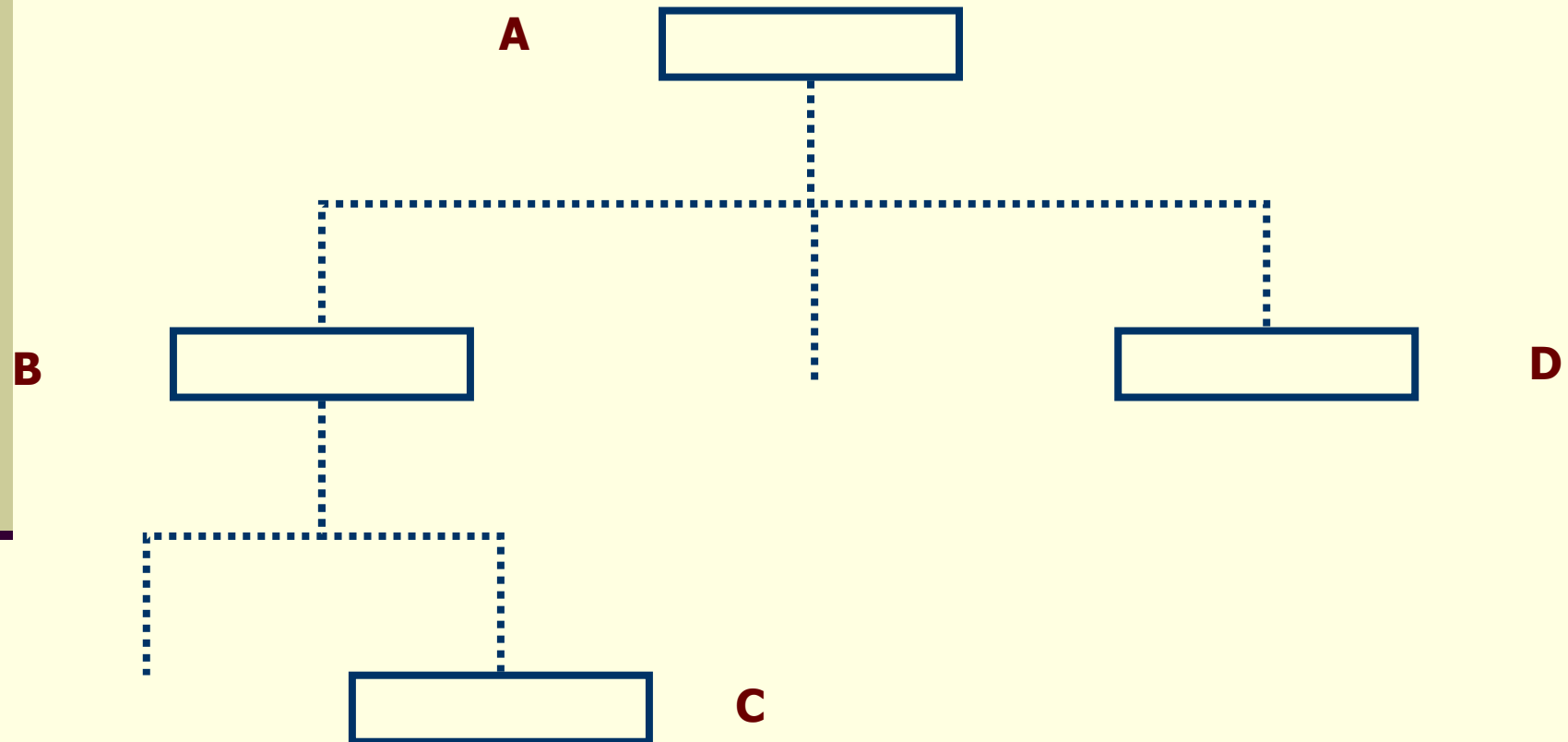
Vertical communication in a simple hierarchy



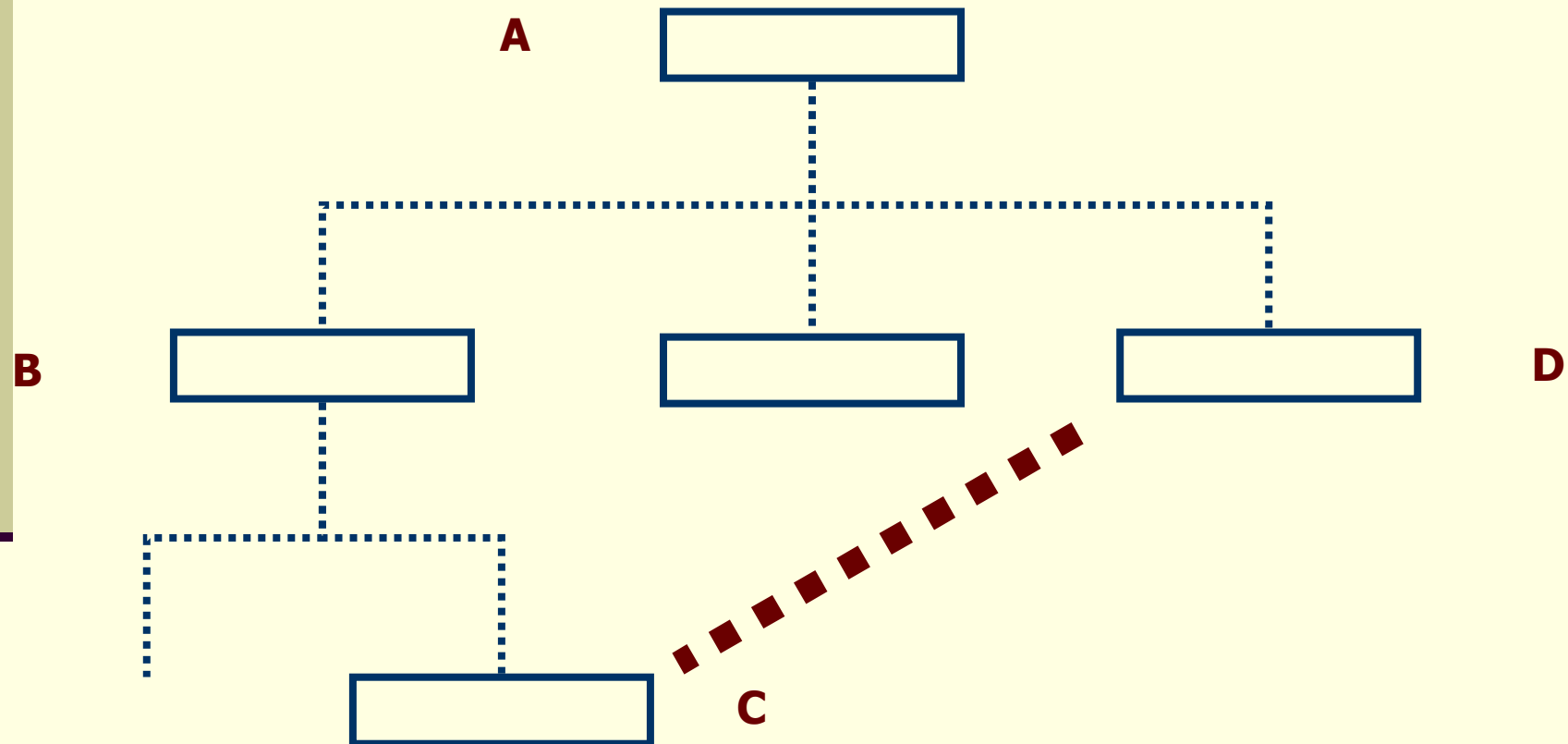
Horizontal communication in a simple hierarchy



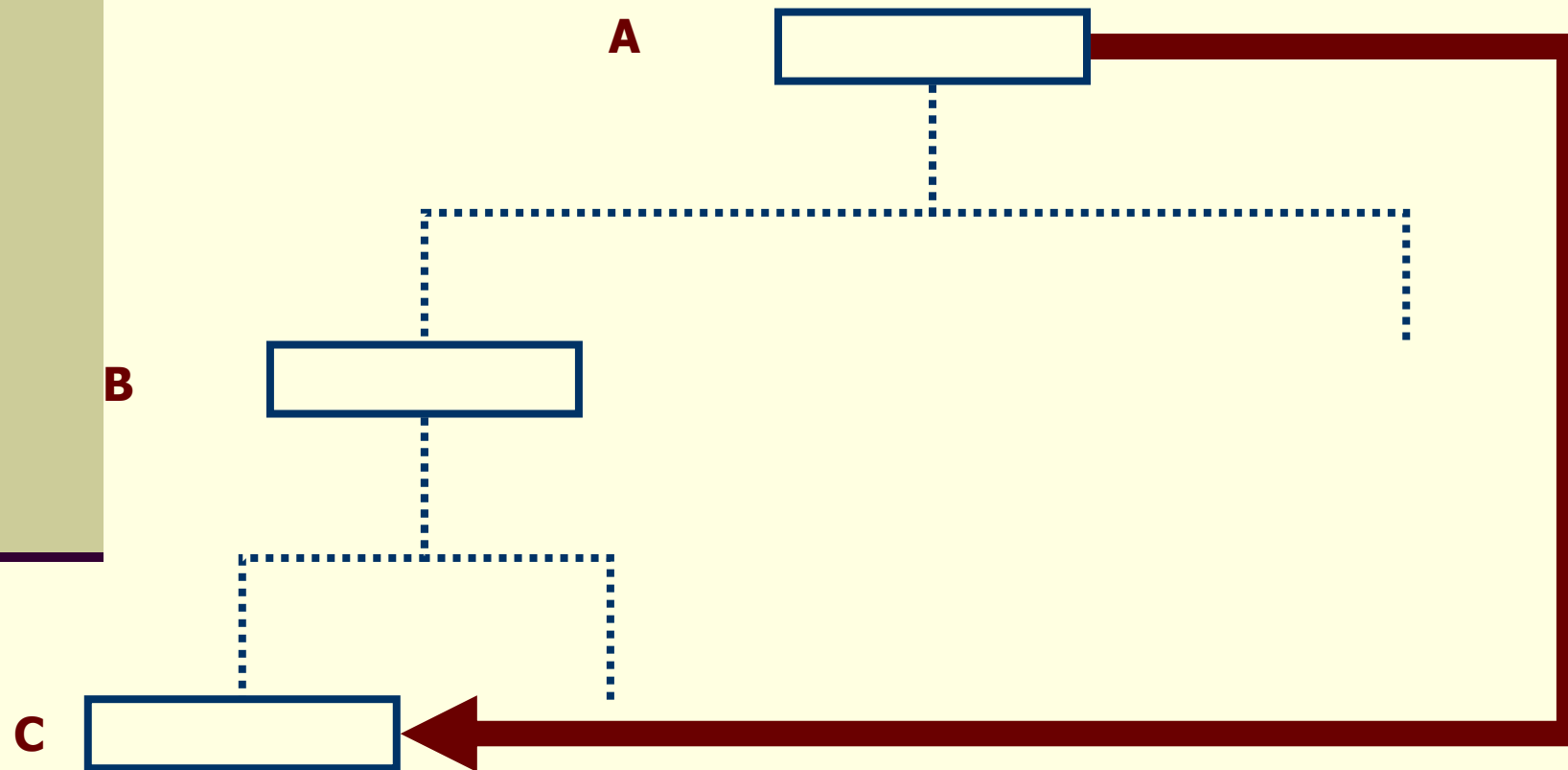
Relations in a hierarchy



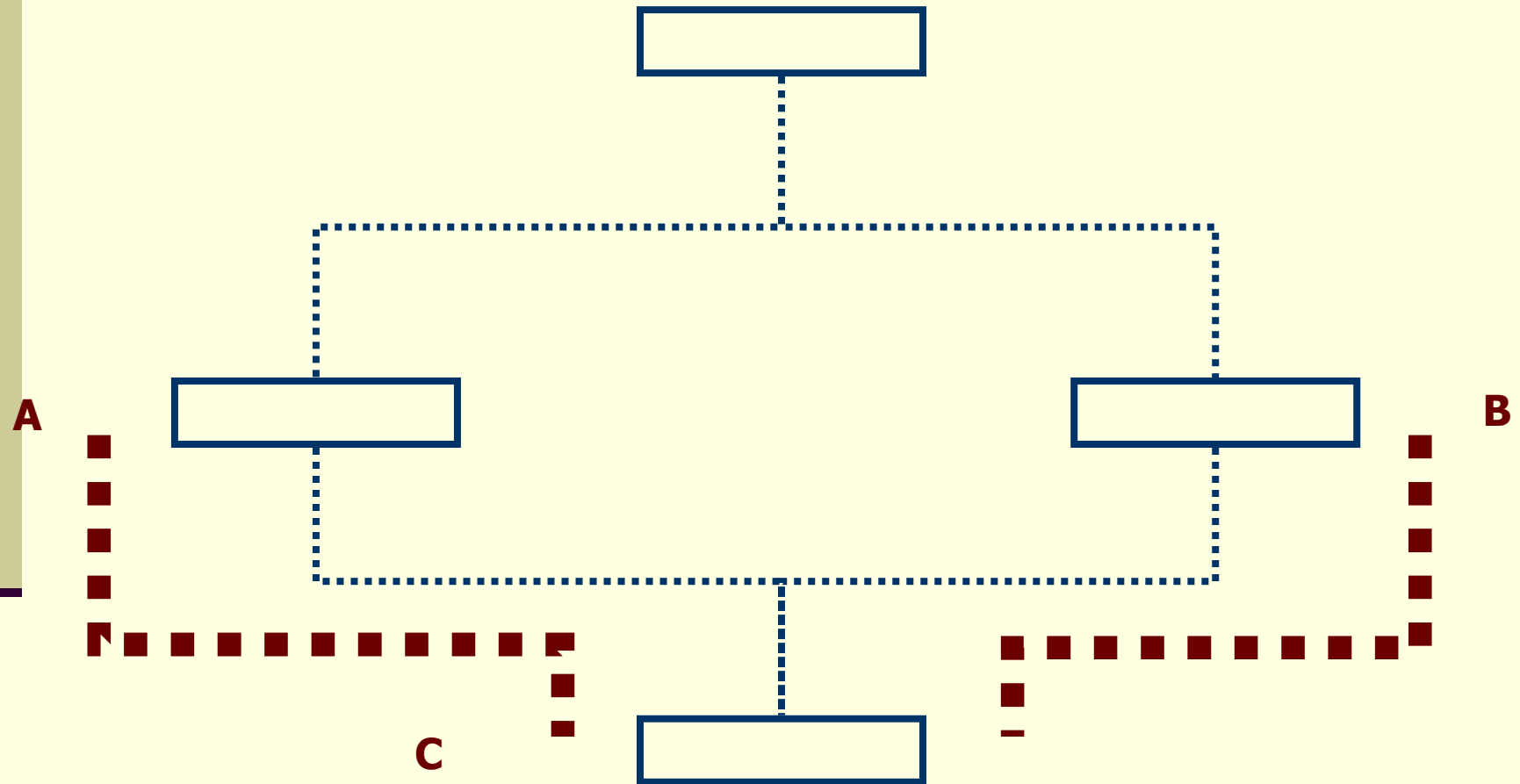
Bypassing the Hierarchy (1)



Bypassing the Hierarchy (2)

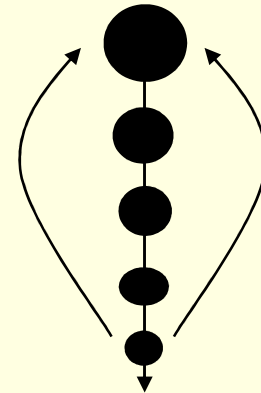
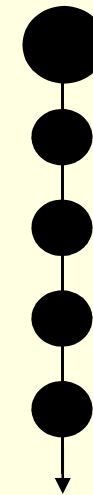
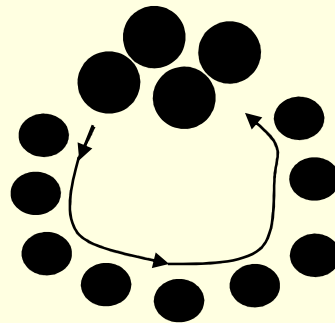
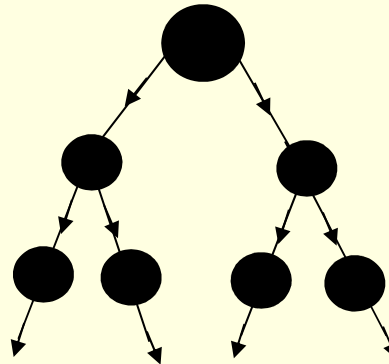
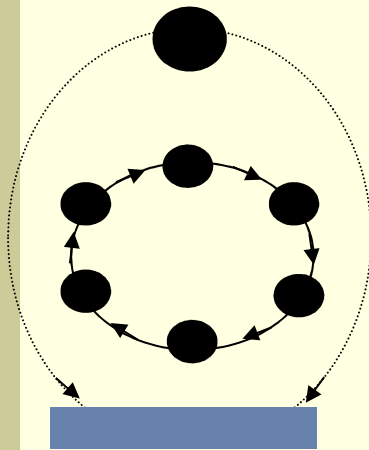


The Matrix Structure



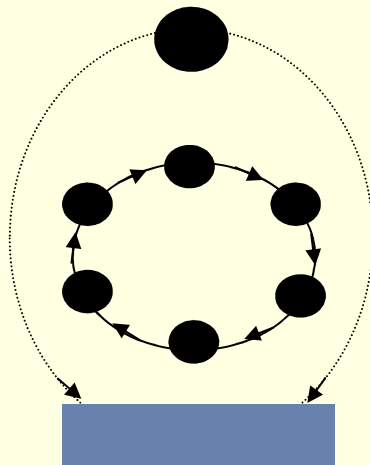
Hierarchies, Status & Formality

(Lewis, 2000)

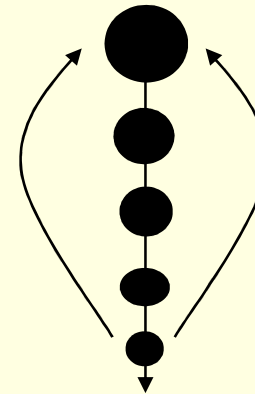


Germany	France	USA	Japan	UK
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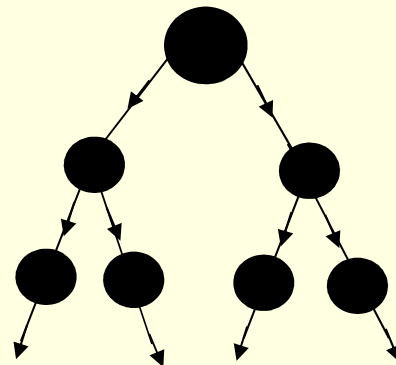
Hierarchies, Status & Formality



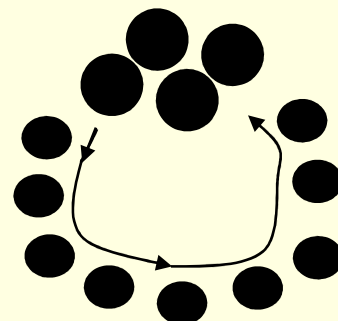
UK



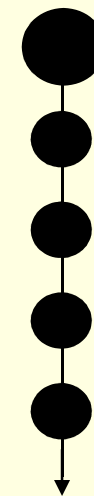
GERMANY



USA



JAPAN



FRANCE

Examples

- Reporting relationships
 - How are relationships with superiors, subordinates, and peers regulated?
- Remuneration
 - How are pay and allowances (including sick pay and pensions) structured for all members of the organization, e.g. according to their rank and duration of service, and the emoluments paid for any given job are typically detailed in the job specification.
 - Discuss this topic in a national context.

.../...

Examples

- Entry to the organization
 - Qualifications for entry (which usually include examinations passed and certificates held) are specified. Age restrictions also apply. The bureaucrat is appointed on the basis of his/her knowledge and professional expertise.
- Criteria for promotion, rewards and punishments
- Exit from the organization
 - The bureaucrat must retire by a certain age, for instance 65.
 - Discuss this topic in a national context.

Ethnocentrism

- **Ethnocentrism**
 - belief that one's native country, culture, language, and behavior are superior to all others.

Research Insight and Dealing with Ethnocentrism

- A survey of companies in Europe, Japan and the U.S. found ethnocentric staffing and human resource policies to be associated with increased personnel problems.
- Those problems included recruiting difficulties, high turnover rates, and lawsuits over personnel policies.

Question?

Patricia has lived in the US her entire life. She believes that the US is the greatest country in the world. Her belief is an example of _____.

- A. Societal norm
- B. Cultural paradox
- C. Ethnocentrism
- D. Collectivism



Chapter 1:

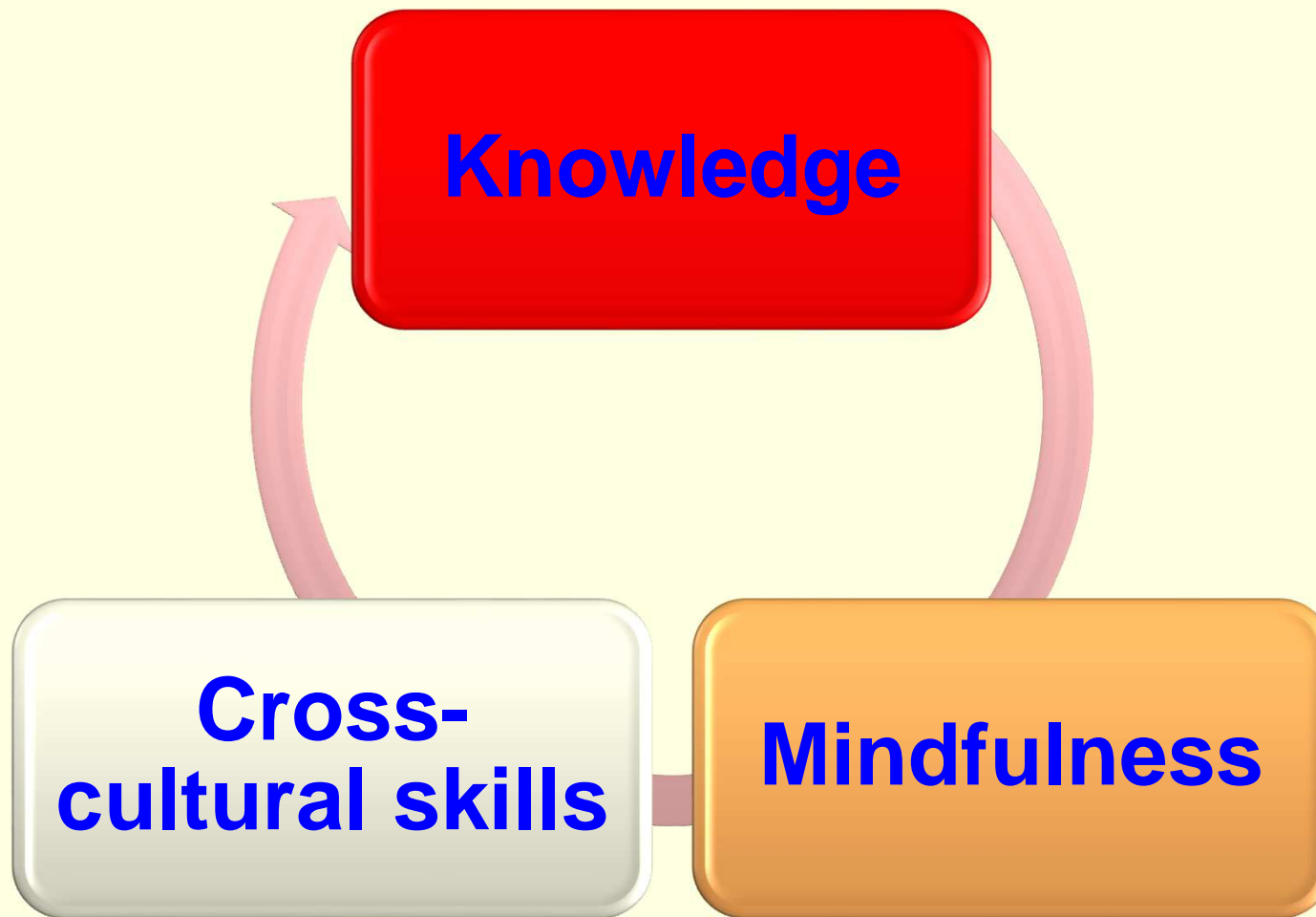
Cultural Intelligence

Cultural Paradoxes Require Cultural Intelligence

- **Cultural intelligence**
 - ability to interpret ambiguous cross-cultural situations correctly



Cultural Intelligence



Cultural Intelligence (1)

- David C. Thomas and Kerr Inkson, authors of the book *Cultural Intelligence: Living and Working Globally* , say cultural intelligence has three parts:
- 1. First, the culturally intelligent person requires *knowledge* of culture and of the fundamental principles of cross-cultural interactions. This means knowing what culture is, how cultures vary, and how culture affects behavior.
- 2. Second, the culturally intelligent person needs to practice *mindfulness* , the ability to pay attention in a reflective and creative way to cues in the cross-cultural situations encountered and to one's own knowledge and feelings.

Cultural Intelligence (2)

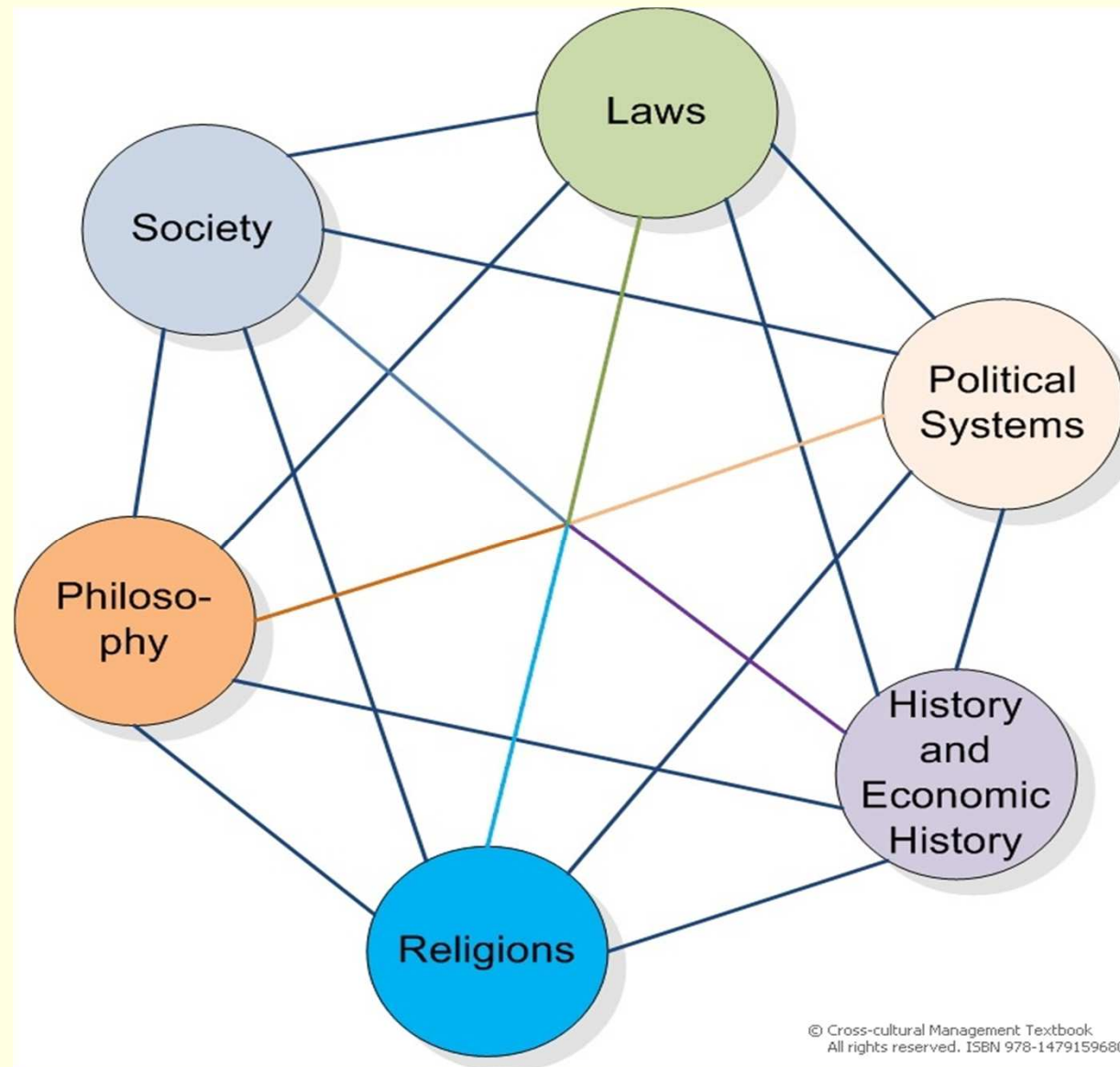
- 3. Third, based on knowledge and mindfulness, the culturally intelligent person develops cross-cultural *skills* and becomes competent across a wide range of situations.

These skills involve choosing the appropriate behavior from a well-developed repertoire of behaviors that are correct for different intercultural situations .

Summary Chapter 1: Characteristics of Culture

- Culture is learned behaviour that may be transmitted intergenerationally or intragenerationally.
- Culture's elements are interrelated and may change to adapt to external forces.
- Culture is shared by members of a society and defines the membership of a society.
- Within a country, there are different degrees of cultural diversity, which makes cultural issues even more complicated.

Summary: Cross-Cultural Management as of Today





Chapter 2:

Comparing Cultures

Cross-culture research as of today

1. Kluckhohn and Strodtbeck on Cultural Orientations

Orientations	Range of Variations
What is the nature of people ?	Good (changeable/unchangeable) A mixture of good and evil Evil (changeable/unchangeable)
What is the person's relationship to nature ?	Dominant In harmony with nature Subjugation
What is the person's relationship to other people ?	Lineal (hierarchical) Collateral (collectivist) Individualist

Kluckhohn, F. R. and Strodtbeck, F. L. 1961. *Variations in Value Orientations*, Peterson, New York.

1. Kluckhohn and Strodtbeck on Cultural Orientations

Orientations	Range of Variations
What is the modality of human activity ?	Doing Being in becoming Being
What is the temporal focus of human activity ?	Future Present Past
What is the conception of space ?	Private Mixed Public

Kluckhohn, F. R. and Strodtbeck, F. L. 1961. *Variations in Value Orientations*, Peterson, New York.

Critique of the Kluckhohn-Strodtbeck Model

Weaknesses

- the authors were not centrally concerned with management studies and did not describe the implications for management
- the orientations and variations are not precisely defined
- interpretations are bound to be subjective

Critique of the Kluckhohn-Strodtbeck Model

Strengths

- cultures can be compared along distinct dimensions
- comparative models apply to cross-cultural management
- analysis of predominant variations within the national culture does not accurately predict: - the values of sub-cultural minorities; the values practiced in different industries and organizations and the values practiced in exceptional cases.

2. Edward T. Hall and Cultural Contexts

Characteristics of High-Context cultures

- long lasting relationships
- communication is economical, fast and efficient
- wider range of communicative expressions
- people in authority are personally responsible for the actions of subordinates

Hall, E. T., 1976. *Beyond Culture*, Anchor Press / Doubleday

Low-context in business

- Business before friendship
- Credibility through expertise & performance
- Agreements by legal contract
- Negotiations efficient

High-context in business

- No business without friendship
- Credibility through relationships
- Agreements founded on trust
- Negotiations slow & ritualistic

In high-context cultures ...

- Agreements between persons are spoken rather than written
- Insiders and Outsiders are distinguished
- Cultural patterns are ingrained and relatively slow to change

2. Edward T. Hall and Cultural Contexts

<u>Factors / Dimensions</u>	<u>High Context</u>	<u>Low Context</u>
Lawyers	Less important	Very important
A person's word	Is his or her bond	Get it in writing
Responsibility for organizational error	Taken by top level	Pushed to lowest level
Negotiations	Lengthy	Proceed quickly
Examples:	Japan Middle East	U.S.A. Northern Europe

ILLUSTRATIVE EXAMPLE 1

The marketing manager of a major US car producer was finding it increasingly difficult to work in Japan. In meetings, his Japanese colleagues hardly ever said anything. When they were asked if they agreed with his suggestions, they always said 'Yes' but they didn't do anything to follow up on these ideas. The only time they opened up was in a bar in the evening, but that was getting stressful, as they seemed to expect him to go out with them on a regular basis.

(adapted from Gibson, 2000)

Common Traits of High Context Cultures

- Reluctance to say 'No' directly
- Reliance on verbal codes
- Surface harmony and 'face' are highly prized
- Verbosity may be viewed with suspicion; words may be used sparingly
- Modesty and self-deprecation are highly valued
- Words only form *part* of the message
- Ambiguity may be viewed positively

Common Traits of Low Context Cultures

- Words will carry the bulk of the message
- An element of 'selling yourself' is expected and valued
- Silences may be evaluated negatively
- 'Telling it as it is' will be valued more than 'beating around the bush'
- Ambiguity will be viewed negatively

ILLUSTRATIVE EXAMPLE 2

A Mexican talking about a German

We have a new German manager who is making himself extremely unpopular here. He has introduced a new quality control system that is complicated and takes time to learn. Inevitably mistakes are made. However, when he finds an error, he seems to delight in pointing this out to the person involved in front of everyone. Several people are already thinking of handing in their notices...

(Olofsson, 2004)

3. Hofstede

- Comparisons between the different cultures are plotted across four dimensions :
 - **Power distance** : the distance between individuals at different levels of a hierarchy;
 - **Uncertainty avoidance** : more or less need to avoid uncertainty;
 - **Individualism versus collectivism** : the relations between the individual and his/her fellows;
 - **Masculinity versus femininity** : the division of roles and values in society.

Hofstede's Model

- Weaknesses :
 - Suggestion that culture coincides with national territory.
 - Methodological and conceptual weaknesses.
 - Culture-bound; research parameters set by Western team.
 - Respondents restricted to a single organization (IBM).

.../...

Hofstede's Model

- Strengths :
 - Respondents restricted to a single organization (IBM)
 - The four dimensions make significant comparisons.
 - Immediate relevance to the manager.
 - The Biggest and the Best.
 - The best starting point for further analysis.

4. Trompenaars's cultural dimensions

- Universalism vs. Particularism
- Individualism vs. Communitarianism
- Neutral vs. Emotional
- Specific vs. Diffuse
- Achievement vs. Ascription
- Time
- Environment
- Cultural patterns or clusters

4. Trompenaars's cultural dimensions

a) **Universalism vs. Particularism**

- Universalism is the belief that ideas and practices can be applied everywhere in the world without modification.
- Particularism is the belief that circumstances dictate how ideas and practices should be applied and that something cannot be done the same everywhere.

4. Trompenaars's cultural dimensions

b) Individualism vs. Communitarianism

- Communitarianism refers to people regarding themselves as part of a group.
- Individualism refers to people regarding themselves as individuals.

4. Trompenaars's cultural dimensions

c) **Neutral vs. Emotional**

- Neutral culture is a culture in which emotions are held in check.
- Emotional culture is a culture in which emotions are expressed openly and naturally.

Trompenaars's Cultural Dimensions

d) **Specific vs. Diffuse**

- A specific culture is a culture in which individuals have a large public space they readily share with others and a small private space they guard closely and share with only close friends and associates.
- A diffuse culture is one in which public space and private space are similar in size and individuals guard their public space carefully, because entry into public space affords entry into private space as well.

Trompenaars's Cultural Dimensions

e) **Achievement vs. Ascription**

- Achievement culture is a culture in which people are accorded status based on how well they perform their functions.
- Ascription culture is a culture in which status is attributed based on who or what a person is.

Trompenaars's Cultural Dimensions

f) Time

- Sequential: people tend to do only one activity at a time, keep appointments strictly, and show a strong preference for following plans as they are laid out and not deviating from them.
- Synchronous: people tend to do more than one activity at a time, appointments are approximate and may be changed at a moment's notice, and schedules generally are subordinate to relationships.

Trompenaars's Cultural Dimensions

g) Environment

- Inner-directed: what-happens-to-me-is-my- own- doing attitude.
- Outer-directed: Sometimes-I-feel-that-I-do-not- have-enough-control-over-the-directions-my-life-is- taking attitude.
- Cultural clusters: Anglo cluster, Asian cluster, Latin American cluster, Latin European cluster, Germanic cluster.

Summary: Cross-Cultural Research as of Today





Chapter 2:

Comparing Cultures

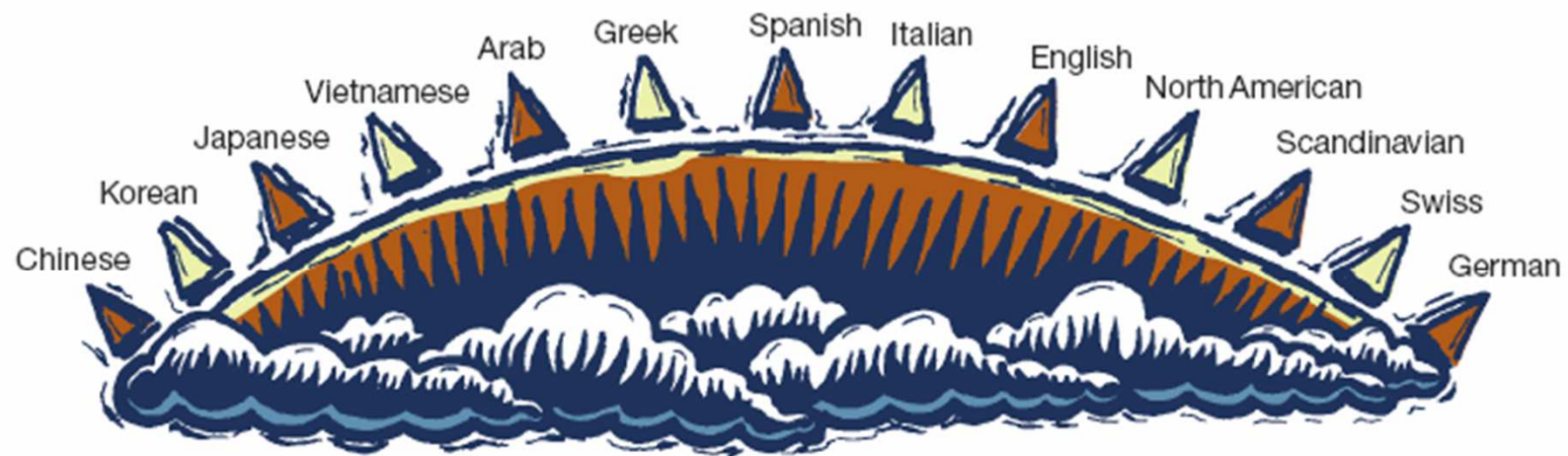
Ways of describing cultural differences

High-context cultures and Low-context cultures

- *High-context cultures* – rely heavily on situational cues for meaning when perceiving and communicating with others
- *Low-context cultures* – written and spoken words carry the burden of shared meanings

Contrasting High-Context and Low-Context Cultures

figure 4-2 Contrasting High-Context and Low-Context Cultures



High-Context

- Establish social trust first
- Value personal relations and goodwill
- Agreement by general trust
- Negotiations slow and ritualistic

Low-Context

- Get down to business first
- Value expertise and performance
- Agreement by specific, legalistic contract
- Negotiations as efficient as possible

Avoiding Cultural Collisions

- People on both sides of the context barrier must be trained to make adjustments.
- Background information is essential when explaining anything.
- Do not assume the newcomer is self-reliant.
- High-context workers from abroad need to learn to ask questions outside their department and function.
- Foreign workers must make an effort to become more self-reliant.



Chapter 3:

Culture Dimensions

Dimensions relating to people

Dimensions relating to time

Dimensions relating to the world

Project GLOBE

- **GLOBE (Global Leadership and Organizational Behavior Effectiveness)**
 - attempt to develop an empirically based theory to describe, understand, and predict the impact of specific cultural variables on leadership and organizational processes and the effectiveness of these processes

Nine Cultural Dimensions from the GLOBE Project

- **Power distance**
 - How much unequal distribution of power should there be in organizations and society?
- **Uncertainty-avoidance**
 - How much should people rely on social norms and rules to avoid uncertainty and limit unpredictability?
- **Institutional collectivism**
 - How much should leaders encourage and reward loyalty to the social unit, as opposed to the pursuit of individual goals?
- **In-group collectivism**
 - How much pride and loyalty should individuals have for their family or organization?

Nine Cultural Dimensions from the GLOBE Project

- **Gender egalitarianism**
 - How much effort should be put into minimizing gender discrimination and role inequalities?
- **Assertiveness**
 - How confrontational and dominant should individuals be in social relationships?
- **Future orientation**
 - How much should people delay gratification by planning and saving for the future?

Nine Cultural Dimensions from the GLOBE Project

- **Performance orientation**
 - How much should individuals be rewarded for improvement and excellence?
- **Humane orientation**
 - How much should society encourage and reward people for being kind, fair, friendly, and generous?

Question?

Rebecca has always focused on delaying gratification and saving money for the well-being and education of her children and her own retirement.

According to dimensions from the GLOBE project, Rebecca's behavior reflects:

- A. Future orientation
- B. In-group collectivism
- C. Masculinity-femininity
- D. Assertiveness

Countries Ranking Highest and Lowest on the GLOBE Cultural Dimensions

table 4-2 Countries Ranking Highest and Lowest on the GLOBE Cultural Dimensions

DIMENSION	HIGHEST	LOWEST
Power distance	Morocco, Argentina, Thailand, Spain, Russia	Denmark, Netherlands, South Africa (black sample), Israel, Costa Rica
Uncertainty avoidance	Switzerland, Sweden, Germany (former West), Denmark, Austria	Russia, Hungary, Bolivia, Greece, Venezuela
Institutional collectivism	Sweden, South Korea, Japan, Singapore, Denmark	Greece, Hungary, Germany (former East), Argentina, Italy
In-group collectivism	Iran, India, Morocco, China, Egypt	Denmark, Sweden, New Zealand, Netherlands, Finland
Gender egalitarianism	Hungary, Poland, Slovenia, Denmark, Sweden	South Korea, Egypt, Morocco, India, China
Assertiveness	Germany (former East), Austria, Greece, United States, Spain	Sweden, New Zealand, Switzerland, Japan, Kuwait
Future orientation	Singapore, Switzerland, Netherlands, Canada (English-speaking), Denmark	Russia, Argentina, Poland, Italy, Kuwait
Performance orientation	Singapore, Hong Kong, New Zealand, Taiwan, United States	Russia, Argentina, Greece, Venezuela, Italy
Humane orientation	Philippines, Ireland, Malaysia, Egypt, Indonesia	Germany (former West), Spain, France, Singapore, Brazil

Individualism versus Collectivism

- **Individualistic culture**
 - characterized as “I” and “me” cultures, give priority to individual freedom and choice
- **Collectivist culture**
 - oppositely called “we” and “us” cultures, rank shared goals higher than individual desires and goals

Question?

Michelle is torn between her desire to go on vacation and her organization's desire to have her at work. She decides to take her vacation.

Michelle is probably from a(n) _____ culture.

- A. Organizational
- B. Low-context
- C. High-context
- D. Individualistic

Cultural Perceptions of Time

- **Monochronic time**

- revealed in the ordered, precise, schedule-driven use of public time that typifies and even caricatures efficient Northern Europeans and North Americans

- **Polychronic time**

- seen in the multiple and cyclical activities and concurrent involvement with different people in Mediterranean, Latin American, and especially Arab cultures.

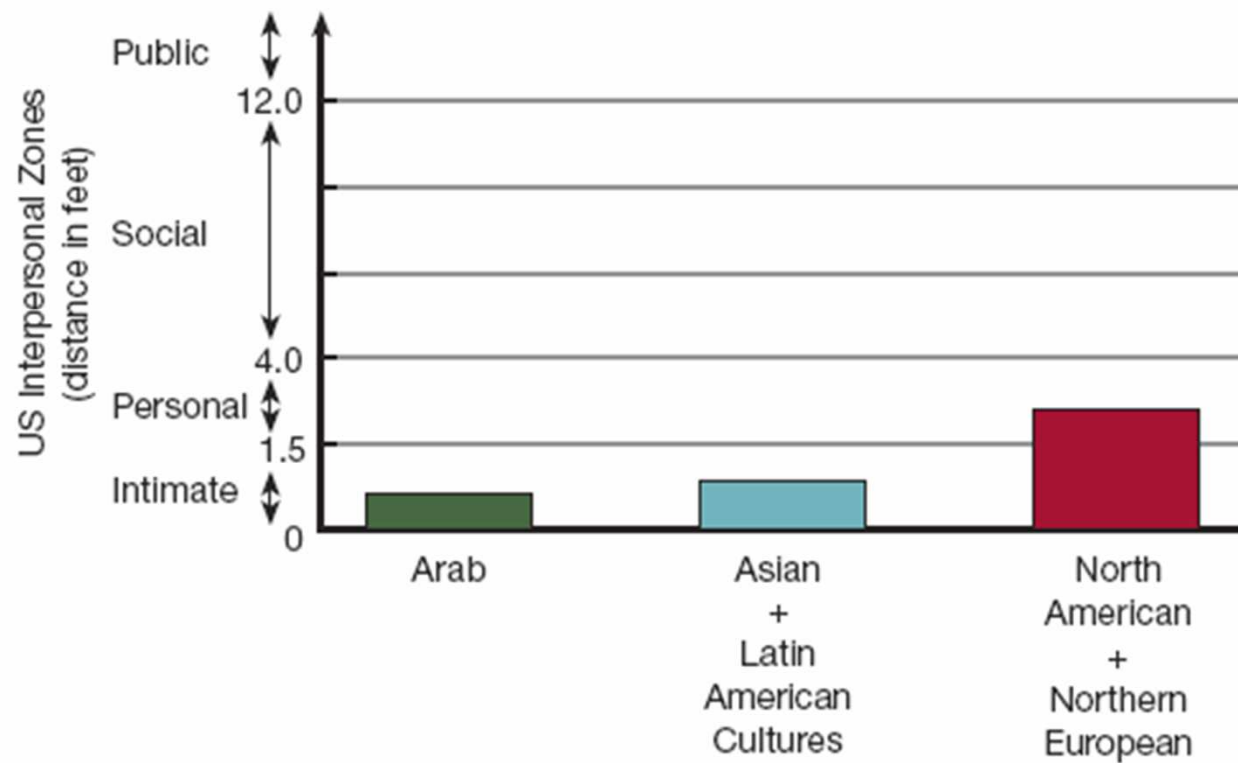
Interpersonal Space

- **Proxemics**
 - study of cultural expectations about interpersonal space



Interpersonal Distance Zones for Business Conversations Vary from Culture to Culture

figure 4-3 Interpersonal Distance Zones for Business Conversations Vary from Culture to Culture



Leadership Attributes Universally Liked and Disliked

table 4-3 Leadership Attributes Universally Liked and Disliked across 62 Nations

UNIVERSALLY POSITIVE LEADER ATTRIBUTES	UNIVERSALLY NEGATIVE LEADER ATTRIBUTES
Trustworthy	Loner
Just	Asocial
Honest	Noncooperative
Foresight	Irritable
Plans ahead	Nonexplicit
Encouraging	Egocentric
Positive	Ruthless
Dynamic	Dictatorial
Motive arouser	
Confidence builder	
Motivational	
Dependable	
Intelligent	
Decisive	
Effective bargainer	
Win-win problem solver	
Administrative skilled	
Communicative	
Informed	
Coordinator	
Team builder	
Excellence oriented	

Question?

Manuel is manager of a work crew. He keeps to himself and prefers not to interact with his employees.

This is an example of which negative leader attribute.

- A. Asocial
- B. Ruthless
- C. Eccentric
- D. Loner



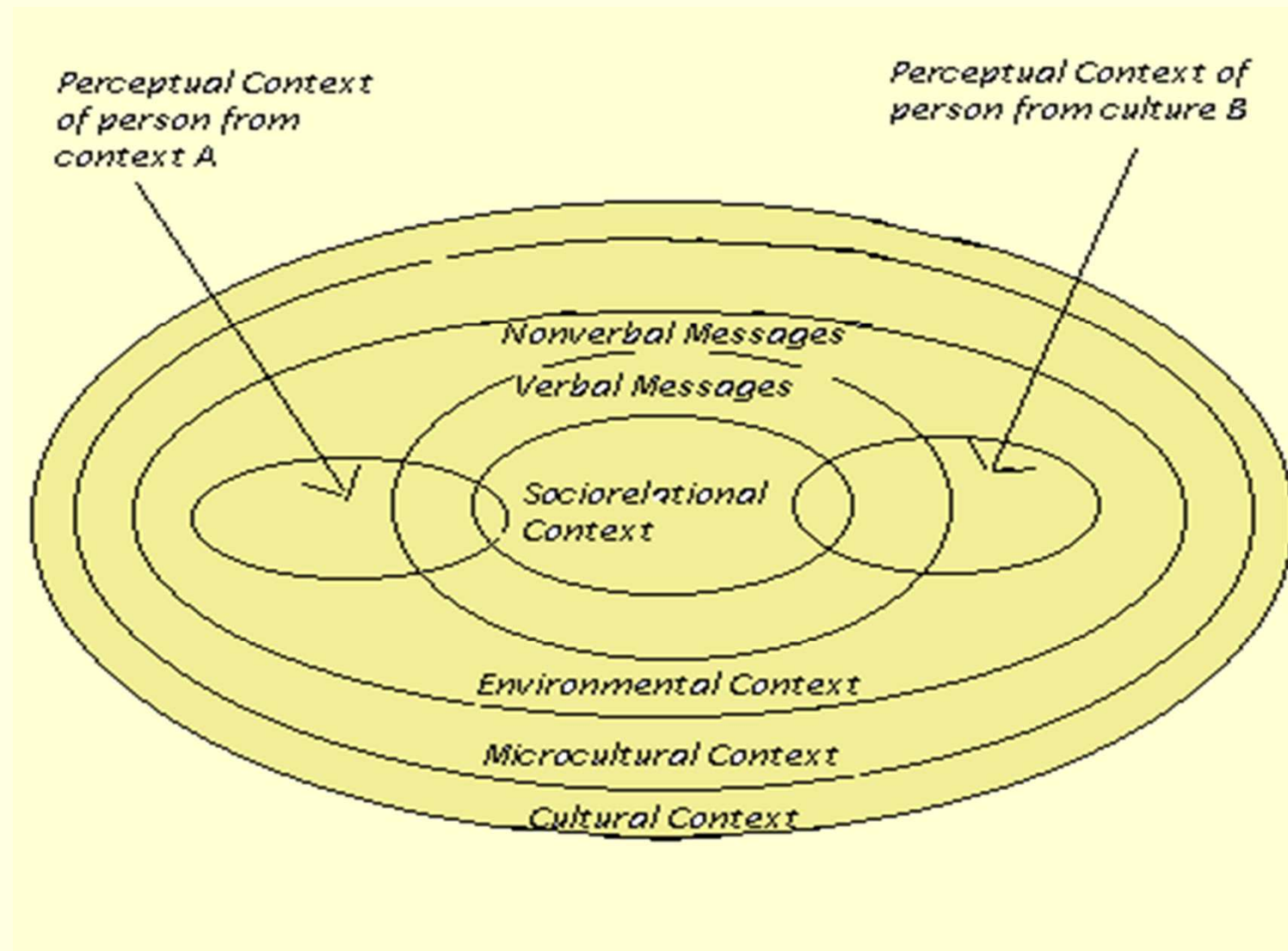
Chapter 4:

Culture and Communication

What is Intercultural Communication?

- Communication is sending and receiving messages through **words and behavior**.
- Communication is essentially the **exchange of information**, be it **words, ideas or emotions**.
- Communication is possible only between people who to some extent share a system of meaning.
- Information, in turn is the **carrier of meaning**.
- Intercultural communication is communication between people from different cultures.

A Contextual Model of Intercultural Communication



Non-Verbal Communication

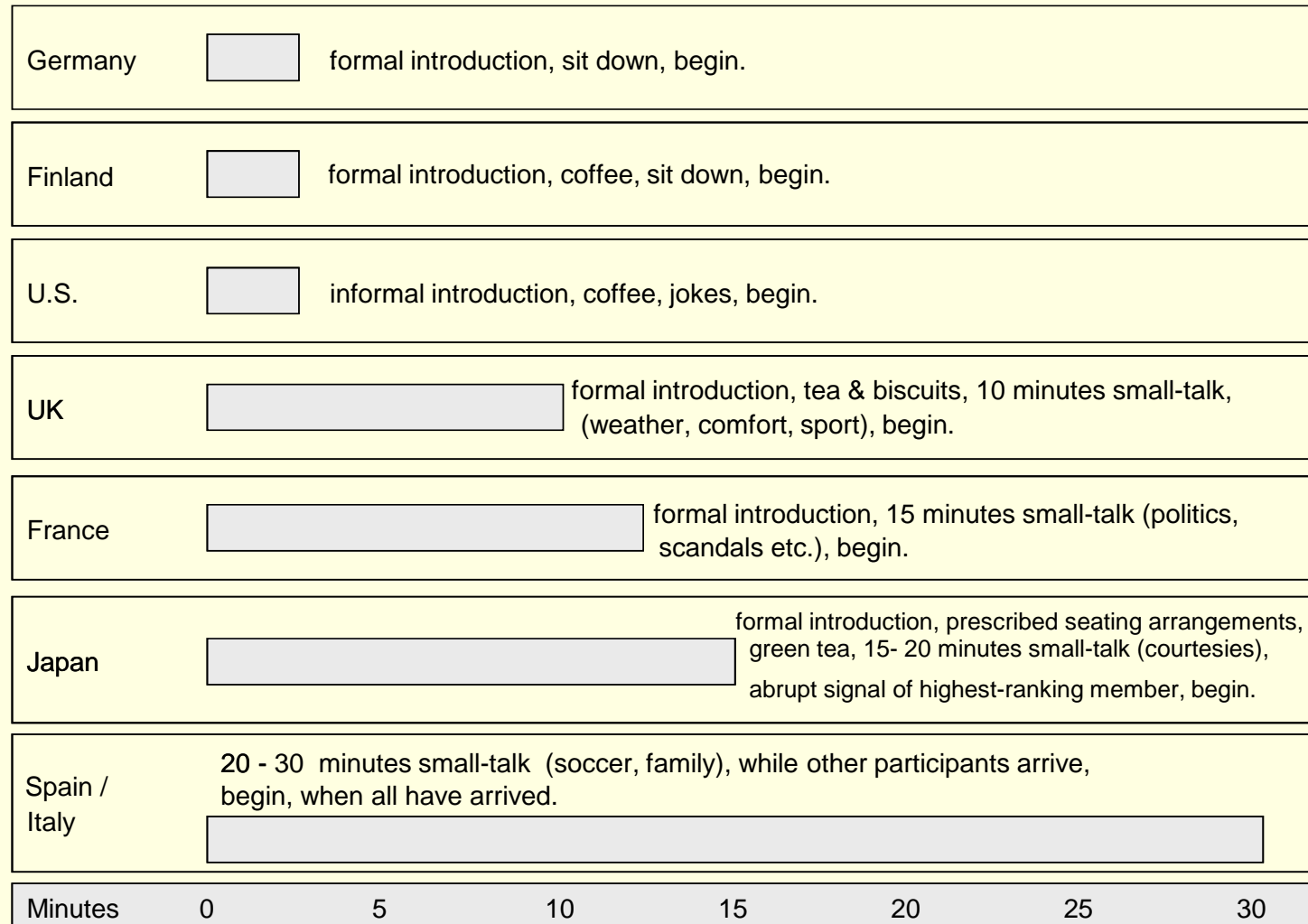
- Gestures
- Posture
- Facial Expressions
- Eye Contact & Gaze
- Touching & Physical Contact
- Personal Space
- Dress Codes & Grooming

Gestures (身ぶり)





Typical Openings of a Meeting in Different Cultures (Source: Lewis 2000)



Culture and communication

No interruption



Short interruption



Frequent overlap



ILLUSTRATIVE EXAMPLE 1

Eye-Contact in Nigeria

Eye-Contact in Nigeria

Many Nigerians employ indirect eye contact to demonstrate their respect for the other person. It is common to gaze at the forehead or shoulders of someone they do not know well. Very direct eye contact may be interpreted as being intrusive unless there is a longstanding personal relationship.

(Kwintessential, 2008)

ILLUSTRATIVE EXAMPLE 2

Eye-Contact in Nigeria

Eye Contact in Azerbaijan

Always maintain eye contact while speaking since Azeris take this as a sign of sincerity. If someone does not look them in the eye while speaking, they think the person has something to hide.

(Kwintessential, 2008)

ILLUSTRATIVE EXAMPLE 3

Eye-Contact in Nigeria

Eye Contact in Afghanistan

Eye contact should be avoided between men and women.

Between men, eye contact is acceptable as long as it is not prolonged - it is best to only occasionally look someone in the eyes.

(Kwintessential, 2008)

ILLUSTRATIVE EXAMPLE 4

Eye-Contact in Nigeria

A Pole talking about South Korea

During my recent trips to South Korea, I have built up a good relationship with an engineer of about my own age who works in my own area of expertise. He speaks good English and we have had a number of informal meetings where we've made tentative decisions about some technical developments. However, when his boss is present, he hardly ever opens his mouth, even though this manager has to use an interpreter and does not have a technical background...

(Olofsson, 2004)

(Kwintessential, 2008)

ILLUSTRATIVE EXAMPLE 5

Eye-Contact in Nigeria

Hierarchies in Nigeria

Age and position earns, even demands, respect. Age is believed to confer wisdom so older people are granted respect. The oldest person in a group is revered and honoured. In a social situation, they are greeted and served first. In return, the most senior person has the responsibility to make decisions that are in the best interest of the group...

(Kwintessential, 2008)

(Kwintessential, 2008)

Basil Bernstein (1971)

- Bernstein was interested in social class and the ways in which the class system creates different types of language and is maintained by language.
- Relationships in a social group affect the type of speech used by the group.
- The structure of speech makes different things relevant or significant.

Language codes

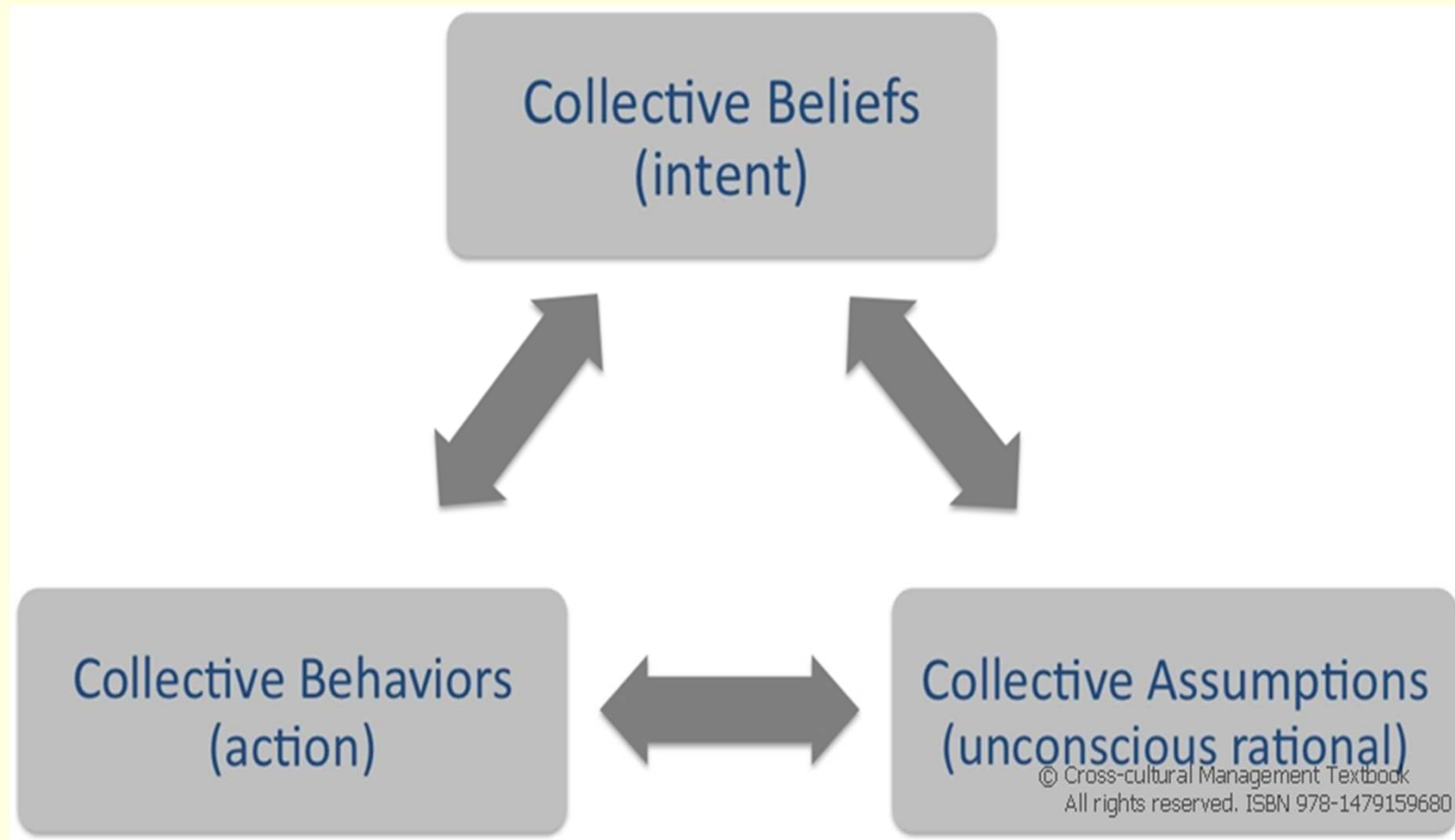
- Elaborated codes provide a wide range of different ways to say something. These allow speakers to make their ideas and intentions explicit.
- Restricted codes have a narrow range of options, and it is easier to predict what form they will take.
- Bernstein says members of the middle class use both types of code systems, whereas members of the working class are less likely to use elaborated codes.



Chapter 5:

Organizational Culture

Organizational Culture



Organizational Culture

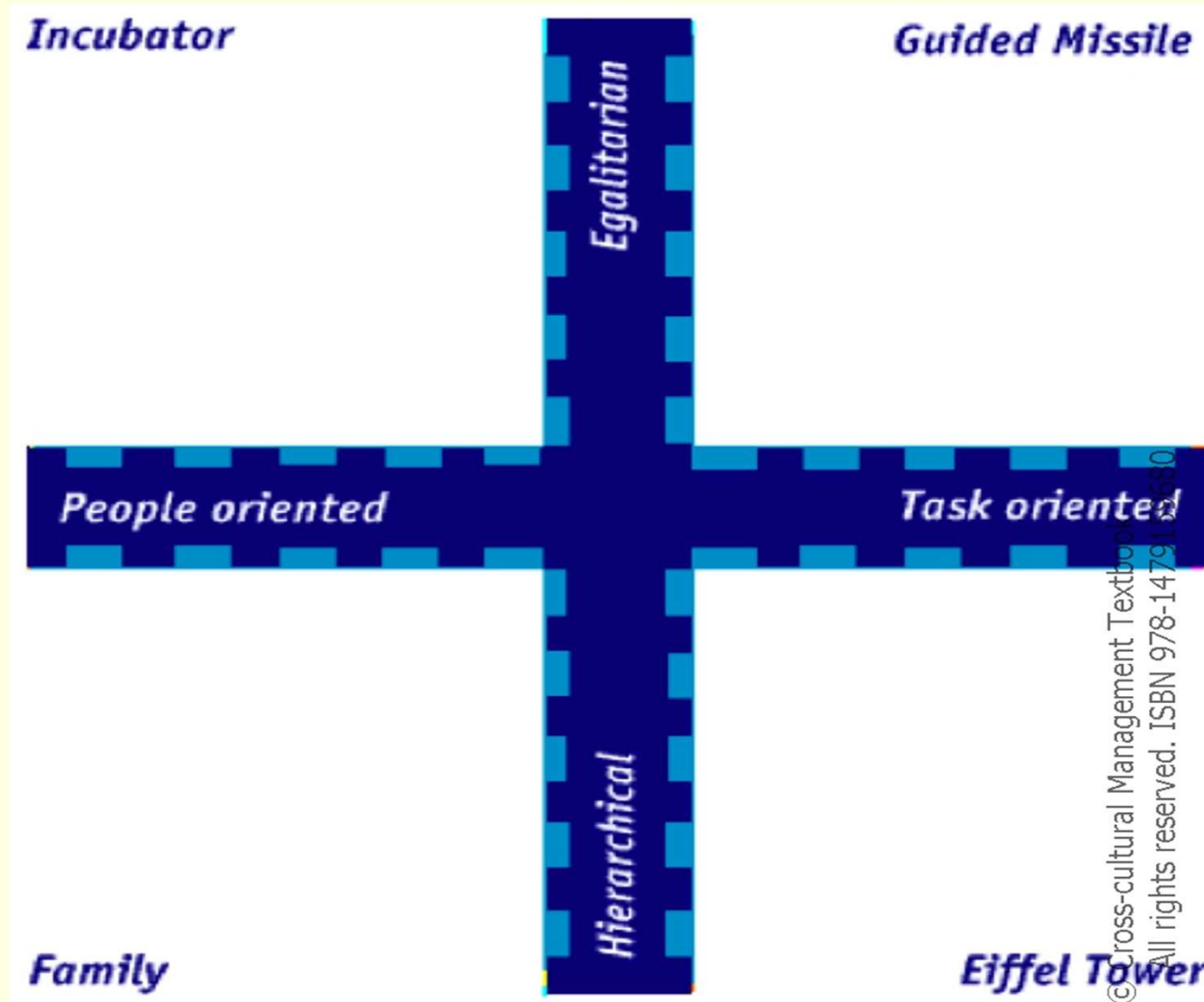


Organizational Culture

Author(s)	Type of Corporate Culture	Dominant Ideologies
Mitroff & Killman (1975)	Sensation –thinking Intuition – thinking Intuition – feeling Sensation - feeling	Impersonal, abstract, certainty, specific, authoritarian Flexible, adaptive, goal-driven Caring, decentralized, flexible, few rules Personal, home-like, relationship-driven, non-bureaucratic
Ouchi (1982)	Type A Type J Type Z	Hierarchical, high specialization, short-term employment, individual responsibility, and decision making Clan control, low specialization, long-term employment, collective responsibility and decision making Clan control, moderate specialization, long-term employment, individual responsibility, group decision making
Deal & Kennedy (1982)	Process Tough-guy, Macho Work-hard, Play-hard Bet-your-company	Low risk, slow feedback, rules-driven, exposure avoidance High risk, quick feedback, little structure Medium risk, active, persistent, flexible structure Very high risk, slow feedback, clear structure
Ket de Vries & Milner (1984)	Paranoid Avoidant Charismatic Bureaucratic Schizoid	Fear, distrust, suspicion Powerlessness, inaction Power, success, following leader Depersonalized, detailed, rigid Politicized, isolated
Handy (1985)	Club (Zeus) Task (Athena) Role (Apollo) Existential (Dionysus)	Entrepreneurial, few rules, empathy, trust Creative, goal orientation, group decision making Structured, rule-based, stable, predictable Individualistic, self-oriented, little structure
Sethia & Von Gillow (1985)	Apathetic Caring Exacting Integrative	Demoralizing, cynical Employee concern Performance and success orientation Concern for employees, performance orientation
Trompenaars & Hampden-Turner (1997)	Family Eiffel Tower Guided Missile Incubator	Hierarchical, personal, power oriented, high-context Bureaucratic, hierarchical, rules and regulations, rational, stable, impersonal Goal-oriented, impersonal, group decision making Individualistic, self-fulfillment, personal
Cameron & Quinn (1999)	Hierarchy Market Clan Adhocracy	Bureaucratic, efficient, formal, structured Productivity orientation, competitive, aggressive Shared values, cohesion, participative Responsive, entrepreneurial, creative

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Organizational Culture



Four Cultural Types

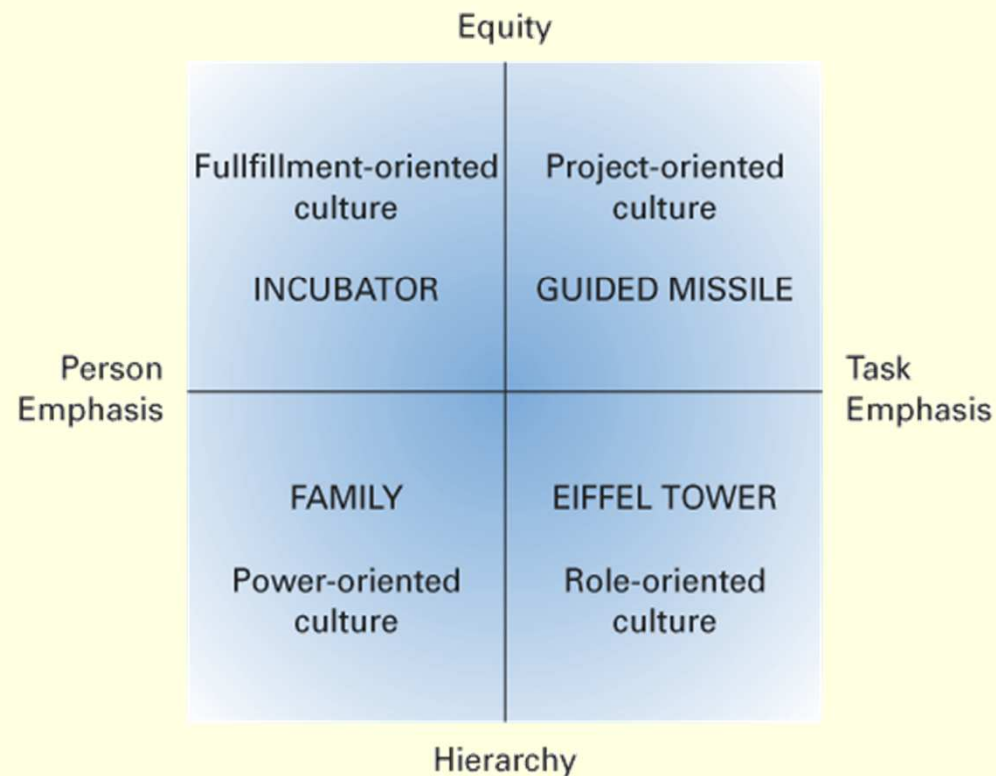


Figure 6–2
Organizational Cultures

Source: Adapted from Fons Trompenaars, *Riding the Waves of Culture: Understanding Diversity in Global Business* (Burr Ridge, IL: Irwin, 1994), p. 154.

Four Cultural Types

1. Family Culture:

- Strong emphasis on hierarchy and orientation to persons
- Power oriented, headed by leader regarded as caring parent
- Management takes care of employees, ensures they're treated well, and have continued employment
- Catalyze and multiply energies of personnel or end up supporting leader who is ineffective and drains energy and loyalties

Four Cultural Types

2. Eiffel Tower:

- Strong emphasis on hierarchy and orientation to task
- Jobs well defined; coordination from top
- Culture narrow at top; broad at base
- Relationships specific and status remains with job
- Few off-the-job relationships between manager and employee
- Formal hierarchy is impersonal and efficient

Four Cultural Types

3. Guided Missile:

- Strong emphasis on equality in workplace and in task
- Culture oriented to work
- Work undertaken by teams or project groups
- All team members equal
- Treat each other with respect
- Egalitarian and task-driven organizational culture

Four Cultural Types

4. Incubator Culture:

- Strong emphasis on equality and personal orientation
- Organization as incubator for self-expression and self-fulfillment
- Little formal structure
- Participants confirm, criticize, develop, find resources for, or help complete development of innovative product or service

Strategic Predispositions

Four distinct predispositions toward doing things in a particular way:

1. Ethnocentric
2. Polycentric
3. Regio-centric
4. Geocentric

Strategic Predispositions

- **Ethnocentric predisposition**

- A nationalistic philosophy of management whereby the values and interests of the parent company guide strategic decisions.

- **Polycentric predisposition**

- A philosophy of management whereby strategic decisions are tailored to suit the cultures of the countries where the MNC operates.

- **Regio-centric predisposition**

- A philosophy of management whereby the firm tries to blend its own interests with those of its subsidiaries on a regional basis.

- **Geocentric predisposition**

- A philosophy of management whereby the company tries to integrate a global systems approach to decision making.

Orientation of an MNC

Table 5-1
Orientation of an MNC Under Different Profiles

	Orientation of the Firm			
	Ethnocentric	Polycentric	Regiocentric	Geocentric
Mission	Profitability (viability)	Public acceptance (legitimacy)	Both profitability and public acceptance (viability and legitimacy)	Same as regiocentric
Governance	Top-down	Bottom-up (each subsidiary decides on local objectives)	Mutually negotiated between region and its subsidiaries	Mutually negotiated at all levels of the corporation
Strategy	Global integration	National responsiveness	Regional integration and national responsiveness	Global integration and national responsiveness
Structure	Hierarchical product divisions	Hierarchical area divisions, with autonomous national units	Product and regional organization tied through a matrix	A network of organizations (including some stakeholders and competitor organizations)
Culture	Home country	Host country	Regional	Global
Technology	Mass production	Batch production	Flexible manufacturing	Flexible manufacturing
Marketing	Product development determined primarily by the needs of home country customers	Local product development based on local needs	Standardize within region, but not across regions	Global product, with local variations
Finance	Repatriation of profits to home country	Retention of profits in host country	Redistribution within region	Redistribution globally
Personnel practices	People of home country developed for key positions everywhere in the world	People of local nationality developed for key positions in their own country	Regional people developed for key positions anywhere in the region	Best people everywhere in the world developed for key positions everywhere in the world

Source: From Balaji S. Chakravarthy and Howard V. Perlmutter, "Strategic Planning for a Global Business," *Columbia Journal of World Business*, Summer 1985, pp. 5-6. Copyright © 1985 Elsevier. Reprinted with permission.

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European Management Characteristics

Table 6-2
European Management Characteristics

Dimension	Characteristic			
	Western (United Kingdom)	Northern (France)	Eastern (Germany)	Southern (Italy)
Corporate Management attributes	Commercial	Administrative	Industrial	Familial
Behavior	Experiential	Professional	Developmental	Convivial
Attitude	Sensation	Thought	Intuition	Feeling
Institutional models				
Function	Salesmanship	Control	Production	Personnel
Structure	Transaction	Hierarchy	System	Network
Societal ideas				
Economics	Free market	Dirigiste	Social market	Communal
Philosophy	Pragmatic	Rational	Holistic	Humanistic
Cultural images				
Art	Theatre	Architecture	Music	Dance
Culture	(Anglo-Saxon)	(Gallic)	(Germanic)	(Latin)

Source: Reported in Lisa Hoecklin, *Managing Cultural Differences: Strategies for Competitive Advantage* (Workingham, England: Addison-Wesley, 1995), p. 149.

National Patterns of Corporate Culture

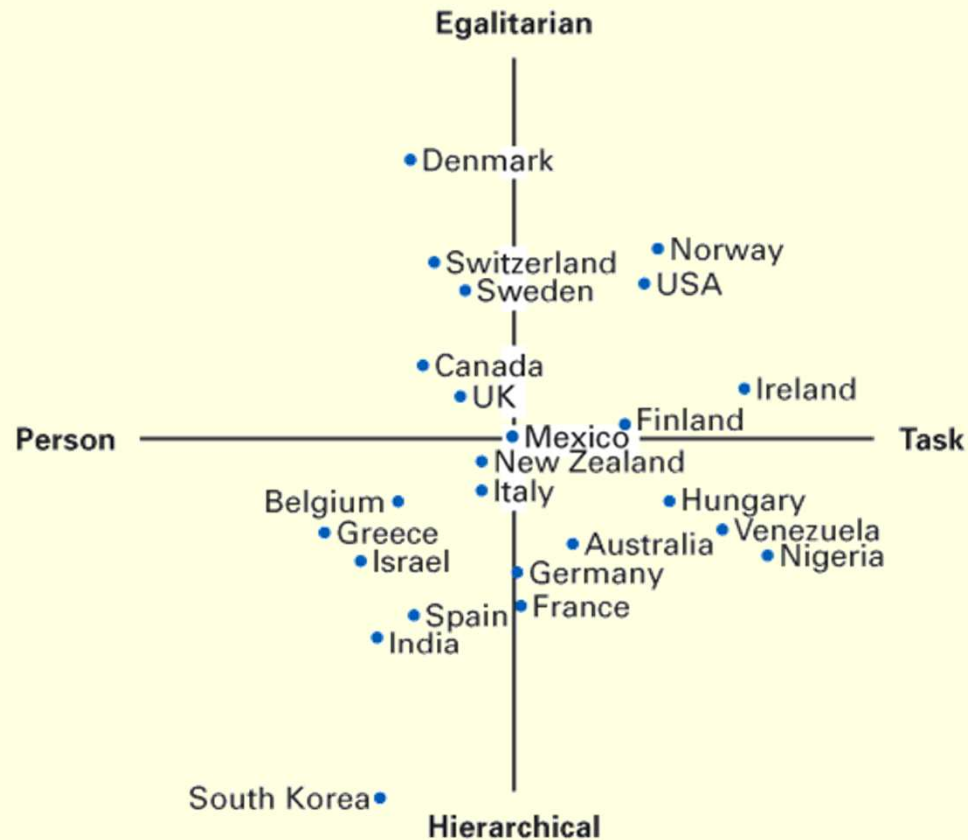


Figure 6-3

**National Patterns
of Corporate Culture**

Source: Adapted from Fons Trompenaars and Charles Hampden-Turner, *Riding the Waves of Culture: Understanding Diversity in Global Business*, 2nd ed. (New York: McGraw-Hill, 1998), p. 184.



Chapter 6:

Culture in Business and Marketing



Think Globally. Act Locally.

~ Derek Torrington, 1994





Where does *culture* fit into the business equation?



Business Environment

Decisions taken by a company are usually influenced by:

- **internal factors** such as strategy, goals, scope of operations, internal resources including management systems and organizational culture
- and factors in the **external business environment**

Culture affects many managerial tasks, including:

- Developing products and services
- Preparing advertising and promotional materials
- Preparing for overseas trade fairs and exhibitions
- Screening and selecting foreign distributors
- Interacting with current and potential customers from abroad

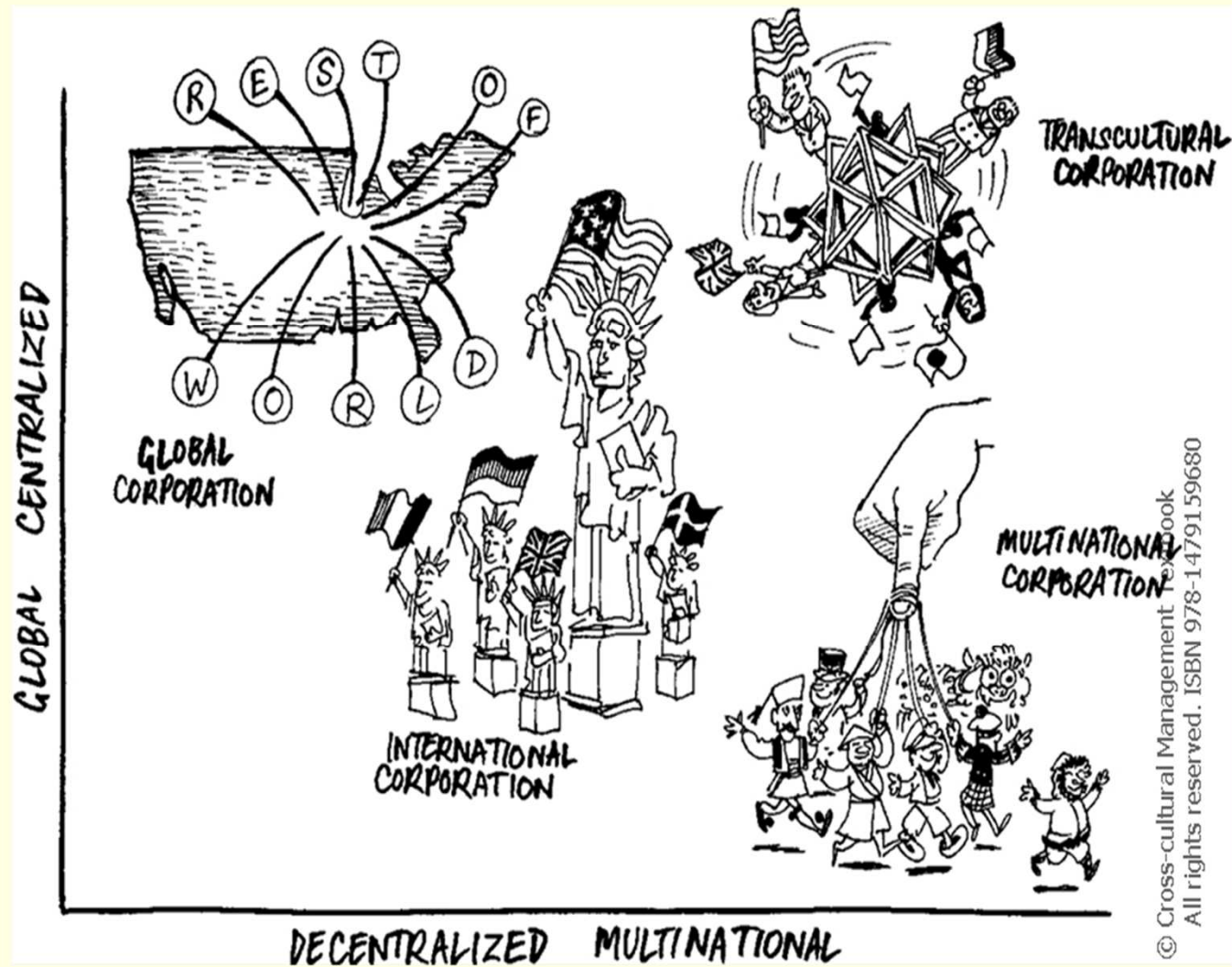
Sensuality and touch culture in Saudi Arabian versus European advertising



Drakkar Noir: Sensuality and touch culture in Europe and Saudi Arabia

Source: Field, 1986.

Reconciliation of Cultural Dichotomies



Vocabulary

- Culture as defined by *Kluckhohn & Kroeber, Hofstede, and Hansen*
- **Schein:**
Artefacts, values, underlying assumptions
- Cross-cultural management
- **Hofstede:**
Power distance, uncertainty avoidance, femininity vs. masculinity, individualism vs. collectivism, long-term orientation, Confucianism dynamics
- **GLOBE:**
In-group collectivism, institutional collectivism, uncertainty avoidance, power distance, gender egalitarianism, assertiveness, performance orientation, humane orientation
- **Trompenaars & Hampden-Turner:**
Universalism vs. particularism, individualism vs. communitarianism, neutral vs. emotional, diffuse vs. specific, ascriptive vs. achievement, sequential vs. synchronic time, internal vs. external control
- **Hall & Hall:**
High vs. low context, spatial orientation, polychrome vs. monochrome time, information speed
- **Static-dynamic nature of culture**
Organizational culture, national culture Inter- and intra-cultural variables,
- Convergence and divergence of HRM and practices

