

RICHARD MEAD

INTERNATIONAL MANAGEMENT



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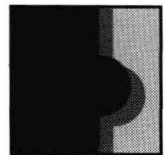
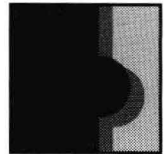
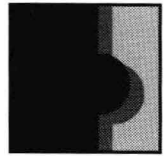
International Management

CROSS-CULTURAL DIMENSIONS

Second Edition

Richard Mead

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Publishing



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International Management

For my Mother, Chuu and Deng

Preface

This book is about international management. It shows how cultural factors influence behavior in the workplace and the boardroom, and examines the skills needed to manage across national borders.

Members of different societies have different priorities and values when they make and implement decisions. These differences influence how the manager deals with other people in superior-subordinate, peer, buyer-seller, negotiation, and consultancy relationships.

In all these relationships, three questions arise:

- when are cultural factors a significant influence?
- when are other factors of greater influence?
- how can the importance of these different factors be weighed?

The book focuses on these questions.

A: Who Is The Book For?

The book has been written for

- MBA and other management students; the book is recommended for students majoring in international management with a focus on cultural factors;
- other students with an interest in cross-cultural relationships;
- managers and students with specialist interests in:



project development
cross-cultural communication
strategic planning
human resources.

The development of international business means that today's management student is almost certain to work with members of other cultures during his/her career, and to need cross-cultural management skills. This is true for the headquarters manager as much as for the expatriate.

Whether or not all cultures are converging to a point at which cultural differences are so slight that they can be safely ignored is a point taken up in chapter three. The practical answer for today is that any final convergence is still a long way in the future. Today's manager cannot afford to ignore the obvious signs of difference. Cultural differences are real and how they are expressed can vitally affect the workplace.

B: What Makes This Book Different?

In addition to covering the core topics common to most textbooks on international management, this book has a number of original features.

The expatriate manager soon recognizes apparent incongruities in the local culture; chapter four shows the manager how to formalize these impressions, analyze the other culture for him/herself, and develop a coherent explanation for apparently non-rational behavior.

Cross-cultural business ethics (chapter six) still tend to be discussed in reference to a supposed Anglo norm rather than in terms of a collision of values. Most MBA programs pay little regard to the culture of the family company (chapter seventeen); but as experts become aware that developments in South-East Asia can be explained by neither Western nor Japanese models of capitalism, the topic begins to be recognized.

Patronage relationships (chapter twelve) are similarly overlooked. This bias accurately reflects priorities in the United States and other cultures where nepotism, for instance, is politically incorrect. But this attitude ignores the reality in much of the developing world (and in some developed economies) where patronage is accepted as the most effective way of managing relationships. Whatever the international manager may think of the ethics of patronage, he/she needs to recognize the phenomenon and be prepared to cope with its effects.

C: What's New About This Edition?

This second edition has been rewritten and the content updated. New topics include the knowledge company, risk management, motivation by teamwork, mission statements, re-engineering, and the contribution made by Trompenaars (1993). A

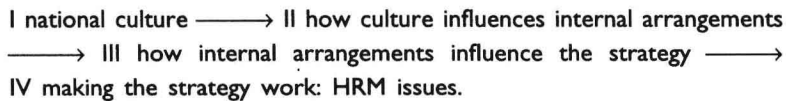
new chapter shows how culture influences strategic planning. Greater emphasis has been placed on change factors. Old material is greatly reduced. The bibliography is radically revised and updated.

An additional feature in this edition is the 19 short case studies, one for each chapter. Each case is supported by questions asking for **ANALYSIS** of a problem and a **DECISION** on how to resolve it. The cases are grouped together at the end of each part (see D below).

This edition preserves several features of the first. Illustrations are drawn from across the world, with an emphasis on the United States, Europe, and the tiger economies on the Pacific basin. Each chapter balances the practical and theoretical sides of its topic, and includes questions on the management implications. (For students without work experience, the *Instructor's Notes* adapt these questions to ask about the implications for a business school.) The chapter is wrapped up with an exercise.

D: How Are The Chapters Organized?

In this edition the chapters have been reordered into four parts so that the focus is progressively more specific. Part one deals broadly with culture as a factor in the business environment, and the final part discusses staffing and training issues in multinational companies. On the way the book examines how culture influences the company systems and structures, how far internal systems influence strategic planning, and multinational strategy. The following diagram shows how each part feeds into the next.



The introduction to each part – before chapters one, five, thirteen and eighteen – discusses this development in detail. Here is a summary.

PART ONE: NATIONAL CULTURE

This part deals with the **BUSINESS ENVIRONMENT** within which the company operates, and focuses on the factor of **NATIONAL CULTURE**. The influences of different national cultures can be identified by comparative analysis. Culture responds to other factors in the environment, and so is subject to *change*. The manager must be prepared to do his own analysis of the cultural environment.

The chapters are:

- Chapter one: International Management and Culture
- Chapter two: Comparing Cultures
- Chapter three: Shifts in the Culture
- Chapter four: Doing Your Own Analysis.

PART TWO: HOW CULTURE INFLUENCES THE INTERNAL ARRANGEMENTS

This part deals with the influences of NATIONAL CULTURE on the INTERNAL ARRANGEMENTS of the company. The link between culture and company is most direct in the organizational culture and the development of ethical norms. Chapter seven deals with cross-cultural communication – the most important topic for the international manager. Chapters eight–ten examine the influence of national culture on organizational systems and structures. Chapters eleven–twelve see how culture influences informal interactions with the environment.

The chapters are:

- Chapter five: Organizational Culture
- Chapter six: Culture and Ethics
- Chapter seven: Cross-cultural Management Communication
- Chapter eight: Culture and Structure
- Chapter nine: Motivating Across Cultures
- Chapter ten: Culture and Dispute Resolution
- Chapter eleven: Negotiations
- Chapter twelve: Culture and Patronage.

PART THREE: HOW INTERNAL ARRANGEMENTS INFLUENCE THE STRATEGY

The company has to respond to changing opportunities and threats within the INTERNATIONAL ENVIRONMENT, and its INTERNAL ARRANGEMENTS influence how responses are planned. This stage focuses on STRATEGIC PLANNING and discusses priorities when developing the company's interests abroad.

The chapters are:

- Chapter thirteen: Planning Change
- Chapter fourteen: Strategic Planning
- Chapter fifteen: International Joint Ventures
- Chapter sixteen: Headquarters and Subsidiary
- Chapter seventeen: Family Companies.

PART FOUR: MAKING THE STRATEGY WORK: HRM ISSUES

This part examines the implications of STRATEGIC PLANNING for STAFFING POLICY. It deals with such issues as why headquarters needs an expatriate presence, what level of expatriate presence is most likely to meet these needs, and how a policy of expatriation can be most effective.

The chapters are:

Chapter eighteen: International Staffing Policy

Chapter nineteen: Training for an Expatriate Assignment.

E: Selecting Chapters For Teaching

This book is structured so that it covers the various topics that make up the field of international management as comprehensively as possible.

The full course is recommended for MBA students. It can also be adapted to the needs of students with other specialisms who do not need all the material. Different *combinations* of chapters are selected and taught for short course purposes. Factors influencing which chapters are selected include the following:

students' special interests in international management
time available
other courses taught in the management program
students' experience.

Chapters one, two, and seven are essential for all courses. The first two deal with the place of culture in international management, and seven deals with communication – the single most important topic in cross-cultural management.

Table 0.1 gives *suggestions* for chapter combinations designed for a range of short courses. Other combinations are, of course, possible for these and other courses. P indicates priority; S indicates summary treatment only.

- (a) Essential Cross-cultural Issues [ECCI].
- (b) Half Course [HC].
- (c) General Management [GM].
- (d) Non-governmental Project Development [NGPD].
- (e) Cross-cultural Communication [CCC].
- (f) Strategic Issues [SI].
- (g) Human Resource Management [HRM].
- (h) International Management for Language Teachers [IMLT].

Table 0.1 Chapter (summary title)

	(a) ECCI	(b) HC	(c) GM	(d) NGPD	(e) CCC	(f) SI	(g) HRM	(h) IMLT
<i>Part one</i>								
1 IM and Culture	P	P	P	P	P	P	P	P
2 Comparing Cultures	P	P	P	P	P	P	P	P
3 Shifts				P	S	P		
4 Your Own Analysis				P		S		P
<i>Part two</i>								
5 Org. Culture			S		P		P	S
6 Ethics			S	S	P		S	S
7 C-c Communication	P	P	P	P	P	P	P	P
8 Structure		P	P		P			
9 Motivation		P	P		P			P
10 Dispute		S	P		P			P
11 Negotiations		P		P	P			P
12 Patronage				P	S		S	
<i>Part three</i>								
13 Planning Change		S		P		P		S
14 Strategy			S	P		P	P	
15 IJVs		P	S			P	P	
16 HQ and Subsidiary		P	P	S		P	P	
17 Family Co.						P	S	S
<i>Part four</i>								
18 Staffing		P		S		S	P	S
19 Expat. Training			P				P	P

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In preparing this edition I have relied heavily on the comments made by Blackwell's anonymous readers in the United Kingdom, Scandinavia, Hong Kong, Australia, South Africa, and the United States. Their suggestions on the First Edition and on the first draft of this edition have been incorporated wherever possible, and I am thankful for their involvement with this project.

Finally, I must express my continued appreciation of the enthusiasm and patient support given me by all Blackwell staff and in particular by my editors: first Richard Burton and recently Catriona King.

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