

# International Management

CROSS CULTURAL DIMENSIONS

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# **International Management**

## **Cross-Cultural Dimensions**

Richard Mead

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# Preface

This book deals with international management. It focuses on the interpersonal skills needed to manage across national borders and shows how cultural factors influence behavior in the workplace and the negotiation.

Members of different cultures apply different priorities and values in making and implementing decisions. These differences are significant when the manager has to deal with members of another culture whether in superior-subordinate, peer, buyer-seller, negotiation, or consultancy relationships.

This theme is developed in the light of three questions:

- When should the manager take culture into account as a significant influence?
- When are other factors of greater direct influence?
- How does the manager weigh the importance of these different factors?

Illustrations are drawn from across the world and the first index indicates their scope. Most come from the Asian Pacific region (East Asia, including China, and South-east Asia). This region includes the world's fastest growing economies. It is likely to be of lasting importance to the future development of international business, as the 1993 Seattle summit of the Asia-Pacific Economic (APEC) forum indicated.

## Structure

This book is organized to cover the various topics that make up the field of cross-cultural management as comprehensively as possible, but

without presenting them as a list. Key topics such as communication are made the focus of a dedicated chapter, then elaborated in sections of further chapters. Some topics, such as culture and technology, are contextualized in a range of sections but are not centralized in any one chapter.

The five parts of the book consist of a total of 18 chapters. They are sequenced with the aim of giving the book logical development, as follows:

Part I Culture and Difference, deals with culture as a factor in explaining differences in work attitudes and relationships.

- Chapter 1 (Cross-Cultural Management) is introductory. It defines the notion of culture in management, and examines problems of managing cultural diversity.
- Chapter 2 (Doing Your Own Analysis) takes off from the practical concern of the manager to discover the specific features of the cultures with which he/she is dealing, and to assess their influence on the workplace. It deals with sources of information about the culture and with techniques for applying these to develop explanatory hypotheses.
- Chapter 3 (Comparing Cultures) focuses on the one data source not developed in the previous chapter; scholarly models. It discusses four standard models and assesses their value in making comparisons between cultures on a range of dimensions.

Part II Culture and Structure, examines culture as a factor in explaining how structures are built and implemented.

- Chapter 4 (Structures for Making Decisions) shows how scholarly models of culture can be applied to explaining variations in formal structures of organization. The importance of culture is balanced against other factors – including strategy, industry, and technology.
- Chapter 5 (Patronage Relationships) and chapter 6 focus on the role played by culture in determining how formal structures and systems are applied in practice. Chapter 5 shows when informal patronage relationships are a more important influence on decision-making than formal structures.
- Chapter 6 (Organizational Culture) examines the influence that national culture has upon the development of an organizational culture, and sees why the latter affects how formal structures are implemented. It deals with problems of changing the organizational culture.

Part III Culture and Relationships, focuses on the meaning of culture in day-to-day interactions between people from different cultural backgrounds.

- Chapter 7 (Cross-Cultural Management Communication) is pivotal. It shows how cultural priorities are expressed in communicative style. It ties together points raised in the previous chapters on communication as a process of implementing formal and informal structures, and builds a foundation for the chapters that follow.
- Chapter 8 (Motivation across Cultures) develops issues raised by chapter 7 in two respects. Effective communication is motivating (in part) when it reflects cultural priorities. Second, motivational systems are more likely to prove effective when they are appropriately communicated.
- Chapter 9 (Dispute) distinguishes different degrees of disagreement and shows that a dispute considered innocuous in one culture may generate serious complications elsewhere. Good communication helps avoid or resolve conflict, and bad communication may be causal.
- Chapter 10 (Negotiations) focuses on the importance of developing positive relationships with negotiation counterparts from another culture. Cultural factors influence the conditions under which you can trust and can expect to be trusted at different stages of the process.
- Chapter 11 (Culture and Ethics) deals with ethical differences from a general point of view. It discusses the development of ethical codes that can be applied pragmatically, and looks at the problems of identifying ethical norms in different cultures.

Part IV Culture and Organizational Policy, applies this foundation knowledge to different types of organizations.

- Chapter 12 (Family Companies) shows how attitudes towards and values practiced in the family company reflect the general business culture. The discussion centers on two contrasting types, the South-east Asian (Chinese) and United States (Anglo) family companies.
- Chapter 13 (International Joint Ventures) illustrates the problems and opportunities that arise from business and cultural differences that arise in one common form of alliance, the international joint venture. Factors for success are discussed.
- Chapter 14 (Headquarters and Subsidiary) deals with the effect of cultural difference when the organizations are related within a multinational framework. It shows how both headquarters and subsidiary can benefit from contrasting priorities within their overlapping environments.
- Chapter 15 (Cross-Cultural Staffing Policies) examines issues of staffing multinational operations and problems of measuring expatriate success and failure, and the relative advantages of employing expatriate and local staff in different environmental contexts.

- Chapter 16 (Training for an Expatriate Assignment) takes up the practical implications that a given staffing policy has for training the expatriated manager and his/her spouse and dependants.

Part V Culture and Change, deals with the problem of how the manager recognizes cultural change and how he/she responds to it.

- Chapter 17 (Shifts in the Culture) asks when environmental change is significant, how and why a culture is modified, and how these shifts affect the company.
- Chapter 18 (Planning Change) deals with values associated with change and with cultural priorities in planning to make change. As the company is forced to react to an increasing rate of change in the environment, it adopts proactive strategies.

All chapters balance the theoretical and practical issues that arise in cultural analysis. All chapters have a section dealing with the managerial implications of points discussed, and an exercise. The Instructor's manual gives further exercises.

## **Who the Book Is For**

This book has been primarily written for

- the management student; the book is recommended for MBA and executive classes, and some first-degree classes, that give an international slant to:
  - marketing;
  - organizational behavior;
  - project management;
  - joint ventures;
- the manager.

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 not only for the expatriate but also the manager working at home.

In general, the working environment is becoming increasingly multicultural. Here are two examples. Ford's workforce in Germany consists of only about 50 percent native German speakers; the rest include Greeks and Turks – who have a long history of conflict. Second, the United States was by 1980 already the fourth largest Spanish-speaking nation in

the world, and approximately 56 percent of the population of Miami had their origins in Latino-Spanish cultures.<sup>1</sup> Johnston and Packer (1987) calculated that between 1987 and the year 2000, 85 percent of net additions to the United States labor force would come from women and non-Caucasian men, particularly from Black, Asian, Hispanic cultures.

Mistakes in understanding the other person's culture can be expensive and even life-threatening; after the 1991 Gulf War, the RAF delivered pork sausages, luncheon meat, and bacon burgers to the millions of starving Kurdish refugees as part of its £20 million aid programme. They forgot that most Kurds are Muslims, who do not eat pork.<sup>2</sup>

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 the last two chapters. The practical answer for today is that this final convergence is still a long way in the future. Today's manager cannot afford to ignore evidence of difference. Cultural differences are real and how they are expressed can vitally affect the workplace.

## **Unique Features**

In addition to covering the core topics common to most textbooks on cross-cultural management, the book has a number of original features. The expatriate manager is bound to be aware of apparent incongruities in the local behavior; chapter 2 shows the manager how to formalize these often unstructured impressions, analyze the other culture for him/herself and to develop a coherent explanation for the behavior of its members.

Business ethics (chapter 11) still tend to be discussed in terms of a single culture – usually American – rather than as a collision of values in different cultures. The culture of the family company (chapter 12) is often ignored but is useful for understanding its business-culture context.

Patronage relationships (chapter 5) are overlooked by almost every standard textbook. This bias gives an accurate reflection of management priorities in the United States and other Anglo cultures, where nepotism, for instance, is perceived as politically incorrect. But it overlooks realities in much of the developing world (and in many developed societies) where patronage is accepted and may often seem the most effective means of managing relationships. A Chinese entrepreneur, for instance, would almost never contemplate employing an outsider in preference to his own son. Whatever the cross-cultural manager may think of the ethics of patronage, he/she needs to recognize the phenomenon and be prepared to cope with its effects.



## Ancillary Materials

The Instructor's manual contains:

- chapter outlines;
- main teaching points;
- class discussion questions;
- answers to exercise questions;
- supplementary exercises.

In addition it includes:

- transparency masters;
- test bank, of multiple-choice questions and true/false items for each chapter.

## Notes

1. US Department of Commerce (1982).
2. 'Britain this week,' *The Economist*, April 13, 1991.

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