

Lecture Two: The Role of Culture in Global Management

Developing multicultural competence

- One framework states the stages of developing multicultural competence as:
 - Understand the challenges facing global managers
 - Understand the context in which global managers operate
 - Develop specific global management skills
- Another framework suggests: managerial competence + multicultural competence = global management skills

What is culture?

- The collective programming of the mind that distinguishes the members of one human group from another (Hofstede)
- The collection of beliefs, values, behaviours, customs, and attitudes that distinguish the people of one society from another
- Shared motives, values, beliefs, identities, and interpretations or meanings of significant events that result from common experiences of members of collectives that are transmitted across generations
- Diverse definitions of culture:

Topical	Culture consist of everything on a list of topics or categories, such as social organisation, religions, and economy
Historical	Culture is social heritage, or tradition, that is passed on to future generations
Behavioural	Culture is shared, learned human behaviour: a way of life
Normative	Culture is ideals, values, or rules for living
Functional	Culture is the way human beings solve problems or 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 behaviour
Symbolic	Culture is based on arbitrarily assigned meanings that are shared by society

- Characteristics of culture
 - Culture is shared by members of a group, and, indeed, sometimes defines the membership of the group itself
 - Culture is learned through membership in a group of community
 - Culture influences the attitudes and behaviours of group members
 - Culture can be adapted and adjusted, and behaviours can be changed
- Some thoughts (Deresky, 2017)
 - Cultural intelligence: an outsiders seemingly natural ability to interrupt someone's unfamiliar and ambiguous gestures (behaviours and communication) in just the way that person's compatriots and colleagues would

- Cultural sensitivity or cultural empathy: is the awareness of and an honest caring about another individual's culture. Such sensitivity requires the ability to understand the perspective of those living in other societies and the willingness to put oneself in another shoes
- Four descriptive models of culture:
 - Edward hall: based on select anthropological studies
 - Geert Hofstede: based on study of corporate employees of major multinational
 - Globe: based on field study in 64 countries
 - Fons Trompenaars: based on sociological theory
- Cultural value dimensions
 - Can vary across subcultures
 - Allow for contingency management
 - Help managers anticipate likely cultural effects
 - Determine how individuals will probably respond in any given circumstances
 - Are a society's ideas about what is good or bad, right or wrong
- Hofstede's value dimensions
 - Power distance: the level of acceptance by a society of the unequal distribution of power in institutions
 - Uncertainty avoidance: the extent to which people in a society feel threatened by ambiguous situations
 - Individualism: the tendency of people to look after themselves and their immediate families only and to neglect needs of society
 - Masculinity: to the degree to which traditionally masculine values (assertiveness, materialism, and lack of concern for others) prevail
- Contributions and criticisms of Hofstede's research
 - Contributions
 - Simplicity of Hofstede's research and dimensions...enables all to understand
 - Relates culture and cultural differences to the business context
 - Replicated many times over many years...and provided some insights
 - Criticisms
 - Simplicity of the research
 - Restricted to a specific group of people who many not have represented a nation
 - Delineation of the dimensions – how can we sure they are not 'interrelated
 - National cultures may have been influenced by trends in mobility of the workforce
- TROMPENAARS (one of the four descriptive models of culture)
 - Universalism vs Particularism (obligation)
 - People place a high importance on laws, rules, values vs people believe that each circumstance and each relationship dictates the rules that they live by
 - Individualism vs communitarianism
 - Specific vs diffuse (involvement in relationships)

- People keep work and personal lives separate vs overlap between their work and personal life
 - Neutral vs emotional (emotional orientation)
 - Achievement vs ascription (legitimization of power and status)
 - People believe that you are what you do vs people believe that you should be valued for who you are
 - Sequential time vs synchronous time
 - Internal direction vs outer direction
- Common themes across culture
 - Power distribution
 - Social relationships
 - Environmental relationships
 - Time and work patterns
 - Uncertainty and social control
- Cultural complexities and contradictions
 - Individuals within the same society may use different strategies to deal with identical challenges. As a result, it is unwise to stereotype an entire culture
 - Instead, we need to look for nuances and counter-trends, not just the principal trends themselves
 - We also need to look for differences in context – the events and environments surrounding people as they form their attitudes and behavioural patterns
 - Failure to recognise this often leads to failed personal and business opportunities