

SAMPLE OF IBUS1102 CROSS CULTURAL MANAGEMENT NOTES

WEEK 2

Lecture 2 - Fundamentals of Culture / Cultural Dimensions

Culture is...

- Shared system of meanings
- "Software of the mind"--> our own operating system (Hofstede)
- Dictates what we notice, how we act, what we value, and what is important to us
- Has many dimensions

What influences culture?

- Economy, religion, history, geography, gov., isolation --> attitude towards outsiders, education

Foundations of culture

Hofstede (1980)

- **Individualism/ Collectivism**: ties with individuals and protection for a family are tight - responsible for yourself and family only / ties with a society are tight
- **Power Distance**: society in which unequal distribution of power and expected by the weaker / less powerful of societies --> how okay the lesser power people are aware of the existing imbalances
- **Masculinity/ Femininity**: M embrace masculine ideals (aggression + performance) / F admire quality of life, nurturing goals
- **Uncertainty avoidance** : aim of society is to reduce ambiguity through structured processes and rules
- **Long term orientation**: extent to which a culture looks at future planning (longer timelines)
- **Indulgence vs restraint**: freedom of expression and to do your own thing

GLOBE 2004

- **I v C - In-group**: some cultures have high expectations of in group membership in family or company spheres
- **I vs C - Institutional**: concept of taking care of one or all of society
- **Performance orientation**: extent to which a society encourages and rewards work, innovation and high standards
- **Future orientation**: extent to which a society encourages or rewards future-oriented behaviours
- **Gender Egalitarianism**: not gender equality but how roles should be allocated between men and women
- **Assertiveness**: highly assertive vs highly nurturing --> some cultures rewards for being aggressive and others punish
- **Humane orientation**: extent to which cultures encourage individuals for being fair, altruistic, friendly etc.
- **Power distance**: extent to which the lower powered people are okay with power differences

- **Uncertainty avoidance**: aim of society is to reduce ambiguity through structured processes and rules

Trompenaars

- **Universalism vs particularism**: rules more important than relationships/ relationships are more important than rules
- **Individualism vs collectivism**:
- **Specificity vs diffusion**: friends in different contexts/ entrance to all spheres of life
- **Achieved status vs ascribed status**: attain power through what you've done/attain power through who you are
- **Inner vs outer direction/ control**: what happens to me is it my making or fate?
- **Sequential time vs synchronous time**: one role at one specific time/ multiple roles at any given time
- **Neutral vs emotional**: extent to which a society rewards outbursts of communication --> civil manner / loud with conviction + body language + gestures

Hall

- **High context**: communication is embedded in tacit understanding --> gestures, body language
- **Low context**: it is not ^ --> have to rely on lots of words to describe everything
- **Clock time**: everything runs on time/ punctual --> about efficiency and productivity
- **Event time**: more fluid structure

Kluckhohn & Strodtbeck

- **Relation to nature**: harmony vs mastery --> nature includes them/ belief we are separate from nature and that we overcome nature
- **Time orientation**: past, present or future orientation --> short term or long term orientation
- **Basic human nature**: evil, good, neutral --> how is mankind?
- **Activity orientation**: being, doing or controlling --> are you a human being or doing?
- **Relationships among people**: individualistic, group and hierarchical --> how group oriented are we, how do we distribute power?
- **Space orientation**: public, private or mix

Schwartz

- **Harmony vs Mastery**
- **Hierarchy vs Egalitarianism**
- **Embeddedness**: similar to collectivism
- **Intellectual vs affective autonomy**: frameworks/ individual right to pursue one's own happiness

World Values Survey - notes on this

- Self-expressionism
- Survivalism
- Traditionalism:

Triandis

- **Horizontal collectivism**: individual is a member of a group, members have = status
- **Vertical collectivism**: individual is member of group, members do not have equal status
- **Horizontal individualism**: individual self is valued, individual = others in status
- **Vertical individualism**: individual self is valued, individual do not have equal status

How do these dimensions affect IB:

- Contracts - existence, specificity, flexibility
- Planning for short terms vs long term
- Role in the community
- HR: employee commitment; rules for employment
- Management - who leads and how do they get there?
- Marketing - how to persuade?
- Strategy - how to best enter the market?
- Laws - how to protect assets?

Readings

CHAPTER 2

- Culture is a way of life of a group of people
- Culture is a set of socially constructed meanings that shape the behaviour of people in a particular society
- **Manifest (outer) layer**: contains easily observable elements such as behaviours, language, music, food and technology
- **Expressed values level**: represents how people in the culture explain the manifest level = cultures own explanation of itself
- **Basic assumptions**: shared ideas and beliefs about the world and society as a whole that guide people's thoughts and actions
- **Enculturation**: nonintentional process
- **Primary socialisation**: occurs in the family and local community - culture is learned from the environment
- **Subcultures**: different from the majority populations
- **Values orientation**: represent how different societies cope with various issues or problems
- **Subjugation orientations**: they accept nature as it is rather than try to change it (Chinese attempt to orient behaviour to coexist with nature)
- **Mastery cultures**: attempt to change aspects of the environment through technology when necessary or desirable

FRAMEWORKS FOR EXAMINING CULTURE

- **Time orientation**:
- A past orientation emphasises tradition
- A present-oriented culture focuses on the short term
- A future-oriented society emphasises the long term

- **Basic Human nature**
- Evil: lack of trust --> examine the terms of a contract and insists that every detail be in writing
- Mixed or neutral orientation --> display ambivalence by having a legal contract accompany verbal business arrangements
- **Activity Orientation**
- Doing culture: emphasis on action, achievement, and working
- Being country: emphasis on enjoying life and working for the moment
- Containing/ controlling: emphasises rationality and logic
- **Relationships among people**
- Individualistic societies: through personal characteristics and achievements
- Group-oriented societies: positive relationship to the collective is important (emphasis on harmony, loyalty and unity, consensus)
- Hierarchical societies: value group relationships but emphasise the relative ranking of groups within an organisation or society as a whole
- **Space orientation**
- Public society: space belongs to everyone
- Privacy: employees value own personal space
- Mixed society: views on space fall somewhere in the middle

HOFSTEDE'S DIMENSIONS OF CULTURAL VALUES

1. Individualism/ Collectivism

- Individualistic countries: people have concern for themselves and their families, rather than others
- Each person's rights are highly valued
- Even when employees work as a team, they receive recognition for individual achievement
- Collectivistic culture: value the overall good of the group because the expectation is that people should subordinate their individual interests and needs for the benefit of the group
- People look after each other in exchange for loyalty, emphasise belonging and make group decisions

2. Power Distance

- Small power distance: less comfortable with power differences such as class distinction or organisational ranking than a large power culture
- Large power distance culture: differences among people with different ranks are accepted and an individual's societal or organisation position influences how he acts and how others treat him

3. Uncertainty avoidance

- Strong uncertainty avoidance countries: prefer more structure, resulting in explicit rules of behaviour, either written or unwritten - people are concerned about doing things correctly
- Weak uncertainty avoidance: cultures favour unstructured situations, culture is flexible, people are more easy going, wide range of behaviours are acceptable

4. Masculinity/ Femininity

- Masculine society, "tough" values: including success, money, assertiveness, and competition, encourages independent decision making
- Feminine cultures: place importance on "tender" values such as personal relationships, care, quality of life and service, gender roles are less distinct and often equal

5. Long term/ short-term orientation (Confucianism)

- Long-term oriented: have greater concern with the future and persistence, always consider how their current actions can influence future generations
- Short-term oriented: values lean toward the past and present, respect for tradition and fulfilling social obligations is a concern, the here and now is the most important

Schwartz Dimensions

1. Embedded vs Autonomy

- Embedded: people view others as inherently part of collectives, meaning in life comes from social relationships, identification with a group
- Autonomy cultures: perceive individuals as autonomous, who find meaning in their uniqueness

2. Hierarchy vs Egalitarianism

- Hierarchy: social system with clearly defined roles, people follow the rules and obligations
- Egalitarianism: people think of each other as moral equals sharing basic human interests

3. Mastery vs Harmony

- Mastery: encourages its members to master, change, and exploit the natural and social environment for personal or group goals
- Harmony: emphasises understanding and fitting in with the environment rather than changing it

- **Sequential time**: cultures do one thing at a time, make appointments, arrive on time, stick to schedules
- **Synchronic time**: people do several things simultaneously, interpersonal relationships are more important than schedules

- 1) Relying more on vertical sources of guidance such as formal rules and procedures or advice from superiors

- 2) favour more participative forms of guidance such as ideas and opinions of subordinate

Hall

- **High context culture:** people do not rely on language alone for communication --> tone of voice, timing, facial expression are big
- **Low context culture:** depends on the use of words to convey meaning

Convergence and Divergence

- As technology increases, communication across cultures and countries become more closely linked through trade, information about other cultures becomes more available
- Are cultures becoming more alike?
- Cultures usually attach different meanings to what appear to be the same behaviour

IN THE EYE OF THE BEHOLDER ARTICLE

- People are not generally aware of the tremendous impact that national culture has on their vision and interpretation of the world
- Managers need to be able to compare their own cultures with those of other countries

Nine dimensions

- **Performance orientation:** the degree to which a collective encourages and rewards group members for performance improvement and excellence --> either if businesses emphasise training and development/ or family and background count for more
- **Assertiveness:** the degree to which individuals are assertive, confrontational and aggressive in their relationships with others --> can-do attitudes and competition/ prefer harmony in relationships and emphasise loyalty and solidarity
- **Future Orientation:** the extent to which individuals engage in future-oriented behaviours such as delaying gratification, planning and investing in the future --> longer term horizons and more systematic planning processes/ tend to be less systematic and more opportunistic in their actions
- **Human orientation:** the degree to which a collective encourages and rewards --> individuals being fair, altruistic, generous, caring and kind to others
- **Institutional collectivism:** encouraging and rewarding collective distribution of resources and collective action --> emphasise group performance and rewards/ or emphasise individual achievement and rewards
- **In-group collectivism:** how individuals express pride, loyalty, cohesiveness in organisations and families
- **Gender Egalitarianism:** the degree to which a collective minimises gender inequality --> in GES, encourage tolerance for diversity of ideas and individuals
- **Power Distance:** members of a collective expect power to be distributed equally
- **Uncertainty Avoidance:** the extent to which a society, organisation or group relies on social norms, rules and procedures to alleviate unpredictability of future events --> seek order consistency, structure, formal procedures / as opposed to simple processes
- Managerial leadership may be the result of the citizen's implicit assumptions regarding leadership qualities

- Individuals hold a set of beliefs about the kinds of attitudes, personality characteristics, skills and behaviours that contribute to or impede outstanding leadership
1. Charismatic/ Value Based: reflects the ability to inspire, motivate, expect high performance outcomes from others on the basis of firmly held core beliefs
 2. Team-oriented: emphasises effective team building and implementation of a common purpose or goal among team members
 3. Participative: managers involve others in making and implementing decisions
 4. Humane-oriented: reflects supportive and considerate leadership but also includes compassion and generosity
 5. Autonomous: refers to independent and individualistic leadership
 6. Self-protective: focuses on ensuring the safety and security of the individual

When in Brazil...

High power distance	<ul style="list-style-type: none"> • Crucial to show respect to those in positions of power
In-group collectivism	<ul style="list-style-type: none"> • Spend time meeting with the key executives in the organisation • Build personal ties and moving into their in-groups • Critical to spend as much time as possible with the team as a whole (both in formal and informal settings)
Low scores of performance and future orientation	<ul style="list-style-type: none"> • Allow input from employees • Managers needs to be patient and make an effort to encourage and facilitate participation from all members • Strategies should not be too risky or ambitious • Focus on delivering short term results
No strong participation	<ul style="list-style-type: none"> • Do not appreciate leaders who dictate to them
Low score on institutional collectivism	<ul style="list-style-type: none"> • They will be more motivated by their individual and team interests
Low levels of rule orientation	<ul style="list-style-type: none"> • Managers needs to make it very clear on which rules and procedures are expected to be followed and why (Brazilians are not used to following clear rules nor procedures)

When in France...

High power distance	<ul style="list-style-type: none"> • France have a more bureaucratic view of leaders • Americans need to tone down the personal side of relationships and be much more business oriented
Low humane orientation culture	<ul style="list-style-type: none"> • Not interested in being supportive of others (even within the same organisation)

Lower levels of performance and future orientation	<ul style="list-style-type: none"> • Grand corporate strategies and visions may be of limited value to a French team • The French may be more motivated by transactional forms of leadership • Strategy and action plans needs to be simple and well planned
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When in Egypt...

Leadership role	<ul style="list-style-type: none"> • Typically male; expected to act and be seen distinct from others and present an image of omnipotence • Leader = paternal figure who with rather be autocratic than benign • The relationship between the boss and employees is more emotional and personal
Very strong in-group collectivism	<ul style="list-style-type: none"> • Egyptians take pride in belongings to certain groups • Forging loyalty to the group and group values • Family and group success is more dominant
Reliance on personal relationships	<ul style="list-style-type: none"> • Decision making processes tend to be informal and unclear
Very high humane orientation	<ul style="list-style-type: none"> • Taking care of friends in need is a major element of the culture • Little demarcation between colleagues and friends • Strong sense of belonging is emphasised
High institutional collectivism and performance orientation	<ul style="list-style-type: none"> • Helpful to design and communication ambitious strategies

When in China...

High performance orientation	<ul style="list-style-type: none"> • Strive for performance improvement in themselves and their subordinates
High institutional orientation	<ul style="list-style-type: none"> • High respect to employees families and keep them in mind when making work schedules
High in-group collectivism	<ul style="list-style-type: none"> • Building personal ties and relationships through networking (guan xi) • Importance of relationships and communities • Politeness, consideration + moral and desirable attributes • Group harmony is critical