

LECTURE NOTES

Topic 1: Introduction

Variables that affect people's culture

- Economy
- Politics – democratic/communist/dictatorial, imposes varying constraints on an organisation and its freedom to do business
- Education – level of awareness, e.g. low in Rwanda and this is holding them back from development
- Technology – transport, telecommunications, household
 - Video: The Massai Go Mobile
 - Mobile phones are very valuable
 - Communicate to other people while moving animals to let them know where there is food and water for animals
 - Finding prices of animals and food in different markets
 - Able to sell animals to people who are far away and transfer money
 - Call doctor – important because there are no hospitals close by
- Legal environment – can laws be upheld?, are tribal/civil rights more prevalent?, e.g. water kingdom of Palau have been able to police against illegal fishing with the aim of protecting the tourism industry
- Religion – in some countries there is barely a divide between religion and the state e.g. UAE
- Health – decades ago it was not viable to do business in Africa due to disease
- Recreation – dominance of sport, arts etc., contrast to China where some people believe we should be working 6 day/week
- History – occupation by other cultures, wars, civil wars, revolutions, Governor General is the head of state in Australia
- Media esp. social media – often overlooked, media may present more right/left-wing views, press may be free or highly governed depending on culture/country
- How can we understand the effects of these variables when managing diversity? We can break them down and categorise them

Our perception of right and wrong

- 50 years ago – trade, employment, education, manufacturing all predominantly took place in the same country → no need to understand another country's ideas of right and wrong
- Awareness test: task is to count number of times the white team passes the basketball, but we fail to notice the gorilla walking across the screen
- Our perception of information other people tell us is affected by many variables incl. our beliefs and values based on our culture, what we believe is wrong, what we have been told to recognise, what we want to hear

Values

- Democracy – important in USA
- Freedom of press – China thinks it could bring social unrest
- Should not be cruel to animals – protests in Aus about export of livestock
- Always respect your elders

- Individualism (vs. collectivism)
 - Individualism
 - A social pattern consisting of loosely-linked individuals, independent of groups, motivated by their own preferences, needs, rights and contracts
 - The rights of the individual are more important than the rights of the group
 - The tendency of people to look after themselves and their immediate families with less emphasis on the needs of the society
 - E.g. Australia (90), US, UK
 - Working with stakeholders
 - Consider how star performers can be individually rewarded and praise them openly
 - Let teams come up with original ideas and acknowledge their efforts even if they are not workable in their current form
 - Don't be afraid to delegate when a team member is ready for greater levels of responsibility
 - Management
 - Democracy, individual initiative and achievement are highly valued
 - The relationship of the individual to organisations is one of independence and on an emotional level and economic level
 - Emphasis on self-respect, autonomy, independence
 - Social loafing is common when working in teams
 - Collectivism
 - A social pattern consisting of closely linked individuals who see themselves as belonging to one or more groups and who are motivated by norms
 - Duties and obligations identified by these groups
 - Group cohesion is more important than the rights of an individual
 - More emphasis on group achievements and harmony and the importance of the extended family/group
 - E.g. China (20), Pakistan, Panama
 - Guanxi in China (personal connections) – fundamental concept of business negotiations with Chinese
 - Working with stakeholders
 - Focus on the relationship first and foremost
 - Use collective team-based motivation reward schemes and only give individual praise in private
 - Use your own internal relationships to stress importance
 - Trust is built via relationships and acceptance as opposed to reliability
 - Management
 - Emotional dependence on belonging to the organisation
 - Strong belief in group decisions e.g. quality circles in Japanese factories
 - Collectivism exerts control over individual members through social pressure and the fear of humiliation
 - Emphasis on harmony and saving face
 - Hiring and promotion practices are based on paternalism rather than achievement of personal capabilities

Making the right decision – suggested sequence

- Consult the laws of both the home and host countries – bribery is actually illegal in all parts of the world, foreign people/organisations are at a disadvantage, if any of these laws would be violated the manager must find another way to complete the business transaction
- Consult the International Codes of Conduct for MNEs – these are broad and cover various areas of social responsibility and ethical behaviour, if there is no apparent conflict on these legal grounds then proceed with further consultation
- Consult the company's code of ethics – it is the responsibility of the company to provide guidelines for the actions and decisions its employers make
- Consult your superiors – if you need clarification on the company's code of ethics
- Weigh stakeholders' rights – consider the priorities of stakeholders you are responsible to, consider the potential benefit and harm involved in your decision/set of actions
- Use your own moral code of ethics and your conscience

Exam ready

- The importance of context when discussing ethical issues
- The 3 ethical decision making criteria that an organisation can use
- What the resource curse is and why it matters
- The cultural relevance of complying and disregarding intellectual property rights
- How to establish the power of various stakeholders when making decisions
- The role that indigenous people play in terms of their external locus of control and its implications for the environment
- The importance of SA 8000 and what it contains
- The process that individuals can use when making an ethical decision
- Wenar (2015)

Topic 5: International human resource management

The brain receiving a message

- Amygdala (limbic system) – emotion, triggers past events leading to emotions e.g. fear, anger
- Prefrontal area – thinking
- Amygdala is activated first and prefrontal area is activated second
 - Prefrontal area often is only effective if the person is relaxed
- If the prefrontal cortex activated before the limbic system we would be in danger if the stimuli was life threatening
 - E.g. if you are faced with a tiger you want to run immediately not stop and consider the risks/danger
- Once the amygdala is activated
 - Short-term memory shuts down or is highly compromised
 - Long-term memory stays intact – leads to past stories and assumptions being made, stereotypes are created
 - Blood flows to arms and legs, away from brain – fight or flight mechanism
 - Increased adrenalin and heart rate
 - Arteries narrow (so you lose less blood if get cut)
 - If the amygdala continues to be activated – cortisone will be released and will shut down the immune system

READINGS NOTES

Stereotyping from the perspective of perceivers and targets (Khan, Benda & Stagnaro, 2012)

- Stereotypes are a dual-edged sword for perceiver and target group members
 - Perceivers rely on stereotypes for motivational and cognitive reasons
 - Targets may experience stereotype threat
- Prejudice – affective or emotional response to members of a particular social group
- Stereotype – a belief about the characteristics, attributes and behaviours of members of certain groups
- Racism – behaviour that is discriminative against a particular social group
- Stereotyping from the perceiver’s perspective
 - Stereotypes are a mental shortcut to obtain information quickly and effortlessly – judgemental heuristics are used as multiple stimuli compete for our attention
 - Stereotypes are heuristics that allow us to make judgements about people based on their group membership
 - Attitudes may be unconscious or conscious – surveys can capture conscious attitudes, unconscious attitudes can be captured using the Implicit Association Test
- Stereotyping from the perspective of the target
 - Stereotype threat – anxiety felt by group members that their behaviour or performance might be used as confirming evidence for existing negative stereotypes
 - Stereotype threat is experienced situationally when one’s group is perceived to be inferior in a particular domain compared to the reference group
 - E.g. women perform worse on maths tests due to stereotype threat
- Reducing stereotypes
 - Contact hypothesis (Allport) – more than simple contact between groups is needed to improve intergroup relations, need meaningful interaction between groups
 - 4 prerequisites for successful intergroup contact
 - Equal status within the contact situation
 - Intergroup cooperation
 - Common goals
 - Support of authorities, laws, customs
 - 2 other critical factors
 - Opportunity to develop personal acquaintances
 - Development of friendships between members, esp. when interactions are counter-stereotypic
 - Recategorization process – intergroup social interactions allow for perceivers to change their mental representations so that they no longer see themselves/others distinctly belonging to 1 group
 - Bookkeeping model – perceivers unconsciously tally up stereotypically confirming vs. disconfirming information, as the disconfirming information accumulates the group category originally based on stereotypes becomes modified with new information
 - Situational attribution training
 - Fundamental attribution error – tendency to overuse internal attributions and underestimate the impact of external factors in producing an outcome or action
 - Ultimate attribution error – tendency to use dispositional attributions for negative behaviours of outgroup members esp. if behaviours are stereotypically consistent