

# 4 Chapter Four

## International OB: Managing Across Cultures

### Learning Objectives

When you finish studying the material in this chapter, you should be able to:

- Explain how societal culture and organizational culture combine to influence on-the-job behaviour.
- Define *ethnocentrism* and distinguish between high-context and low-context cultures.
- Draw a distinction between individualistic cultures and collectivist cultures.
- Explain the difference between monochronic and polychronic cultures.
- Discuss the cultural implications of interpersonal space, language and religion.
- Describe the practical lessons from the Hofstede–Bond cross-cultural studies.
- Explain what cross-cultural studies have found about leadership styles.
- Specify why so many expatriates have a comparatively high failure rate in foreign assignments and identify skills needed by today's global managers.
- Discuss the importance of cross-cultural training relative to the foreign assignment cycle.

[www.chryslercars.com](http://www.chryslercars.com)

Even the best-kept corporate secrets eventually break out into the open. For Stefan Buchner, a 39-year-old purchasing director at Daimler-Benz headquarters in Stuttgart, the news came during an afternoon strategy meeting. That's when a colleague rushed in to say German radio had just reported that Daimler, the German manufacturer of Mercedes-Benz luxury cars, was on the verge of a merger with Chrysler, America's third largest car-maker. Six time zones away at Chrysler headquarters, Louise Linder's phone rang. Her contacts at Chrysler's suppliers had heard the same news and wanted the inside scoop. ►

'Hey, I know as much as you do', she told them. Late that afternoon Linder's vice president called her into his office. Assemble your staff in the auditorium, he said. Prepare for a big announcement.

Mergers are traditionally assessed by the amount of money involved, but beneath those piles of cash are several thousand people whose lives are often up-ended when two companies put themselves together. For top executives, mergers can bring incredible riches; for bottom-rung workers toiling in plants or behind counters, changes may be imperceptible. Probably, the people in the middle face the biggest challenges. Mid-level managers are often axed to cut costs after deals; those who remain are pushed to find savings, work through culture clashes and integrate two companies into one.

While chairmen Robert Eaton and Jürgen Schrempp make grand plans for the new Daimler-Chrysler, it's up to managers like Buchner and Linder, who perform identical tasks on different sides of the Atlantic, to make the deal work. As the anniversary of their merger nears, *Newsweek* asked them to reconstruct their first year in the trenches together.

For Linder and Buchner, there are reasons for optimism. They have considerable responsibility. Each ranks one rung below vice president and together they oversee 140 employees who buy seats, steering wheels and other interior components. But unlike top officers, they haven't had to battle to preserve power or joust for the upper hand as jobs consolidate. Says Linder: 'I haven't felt any stress or anxiety about whether they're going to choose between Stefan or I.' Their careers are still on the upswing and both believe the merger puts their performance in the spotlight. 'It's a huge chance to develop my career', Buchner says. Even if they're tempted to complain, they're probably too busy. Mergers breed countless committee assignments and brutally long days. Says Linder, 'It almost feels like a second job.'

In the past year, their teams have become well acquainted. The process began at a distance. Linder spent the early summer reading up on Daimler and quizzing suppliers who'd been through mergers. In August, Buchner's team traveled to Detroit, USA where they discussed big-picture issues: how their departments are

organized, how they work with suppliers to reduce prices. Until the deal was sealed in November, 'the really interesting questions were taboo', Buchner says. 'For example, what does an airbag cost here, what does it cost there?' Since then they've begun comparing and brainstorming ways to consolidate and save.

Linder and her American colleagues praise their German counterparts' skill with English (though they try to cut out slang to simplify speech when the Germans are in town). To reciprocate, many Americans are taking German lessons. They can also tick off cultural eccentricities: the Germans eat hamburgers with knives and forks and call their cell phones 'handies'. At a Detroit piano bar one night last summer, Linder's team got its biggest surprise: the Germans know all the lyrics to rock-and-roll oldies. Back in Stuttgart, the Germans have been experimenting with business casual dress. They've taken classes on cultural awareness (key points: Americans shake hands less and aren't allowed to compliment women).

As they've begun meeting with Americans more often, they're learning to understand their different decision-making style. Americans favour fast-paced, trial-and-error experimentation; Germans lay painstaking plans and implement them precisely. The potential result: 'The Americans think the Germans are stubborn militarists and the Germans think the Americans are totally chaotic', says Edith Meissner, an executive at the Sindelfingen plant. To foster compromise, Americans are encouraged to make more specific plans and Germans are urged to begin experimenting more quickly. Both sides surround workers with their sister culture. Whether this giant marriage will meet the high expectations is not certain yet but it is promised to rock the global auto industry for sure . . .<sup>1</sup>

### For discussion

Based on what you have just read here (and perhaps elsewhere), do you think Daimler-Chrysler will be able to blend its German and US units into a successful global competitor? Explain.

Globalization of the economy challenges virtually all employees to become more internationally aware and cross-culturally adept. The path to the top, these days, typically winds through one or more foreign assignments. A prime example is Maurits Barendrecht, one the executives of the Dutch Rabobank, who is now based at Curaçao. Barendrecht signed a ‘mobility contract’ for life: the bank ‘kicks’ him, for an ample salary, from one country to the next. In a period of eleven years, he changed his residence up to five times: moving to Madrid (starting a new branch), Montevideo (management support), Amsterdam (supervision on foreign offices) and Milan (executive officer), and finally ending up in Curaçao.<sup>2</sup>

Even managers and employees who stay in their native country will find it hard to escape today’s global economy. Many will be thrust into international relationships by working for foreign-owned companies or by dealing with foreign suppliers, customers and co-workers. Jonathan Fenby, editor of *Business Europe*, presents the following amusing viewpoint.

*Nationality means less and less in a world of unprecedented mobility where British Airways is run by an Australian; France’s biggest beauty products firm by a Welshman; where Daimler embraces Chrysler; and a French-Brazilian flies off to tell Nissan how to run its car business—and where Orange bounces between Asian, German and French ownership under the stewardship of an entrepreneur born to a British father in Germany, brought up in Canada, trained in Hong Kong and married to a Chinese wife . . .*<sup>3</sup>

The global economy is a rich mix of cultures, with different ideas, different ways of social conduct and different methods of organizing work. It’s easy to think that people who have lived abroad or who are multilingual have global brains, while those who still live in their hometowns are parochial. But both notions are fallacies. Employees who have never left their home countries can have global brains if they are interested in the wider world around them, make an effort to learn about other people’s perspectives and integrate those perspectives into their own way of thinking.<sup>4</sup>

Accordingly, the purpose of this chapter is to help you take a step in that direction by exploring the impacts of culture in today’s increasingly internationalized organization. This chapter draws upon the area of cultural anthropology. We begin with a model that shows how societal culture and organizational culture (covered in Chapter 3) combine to influence work behaviour, followed by a fundamental cultural distinction. Next, we examine key dimensions of international OB with the goal of enhancing cross-cultural awareness. Practical lessons from cross-cultural management research are then reviewed. The chapter concludes by exploring the challenge of accepting a foreign assignment.

## CULTURE AND ORGANIZATIONAL BEHAVIOUR

How would you, as a manager, interpret the following situations?

- ▼ **An Asian executive for a multinational company, transferred from Taiwan to the US, appears aloof and autocratic to his peers.**<sup>5</sup>
- ▼ **In Saudi Arabia, an invitation kindly asked that dogs and women be kept at home.**<sup>6</sup>
- ▼ **In Germany, an employee only wants to stay and do overtime if it’s paid for and if a deadline is to be met.**<sup>7</sup>

If you attribute the behaviour in these situations to personalities, three descriptions come to mind: arrogant, unfriendly and disloyal to the company. These are reasonable conclusions. Unfortunately, they are probably wrong, being based more on prejudice and stereotypes than on actual fact. However, if you attribute the behavioural outcomes to *cultural* differences, you stand a better chance of making the following more valid interpretations. As it turns out:

- ▼ Asian culture encourages a more distant management style.<sup>8</sup>
- ▼ In Muslim countries, women going out are seen as prostitutes.<sup>9</sup>
- ▼ In Germany overtime is exceptional as the company is seen as having no right to interfere with your private time.<sup>10</sup>

One cannot afford to overlook relevant cultural contexts when trying to understand and manage organizational behaviour.

## Culture is Complex and Multilayered

While noting that cultures exist in social units of all sizes (from civilizations through to countries to ethnic groups, organizations and work groups), Edgar Schein defined **culture** as follows.

*A pattern of basic assumptions—invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration—that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.*<sup>11</sup>

The word *taught* needs to be interpreted carefully because it implies formal education or training. While cultural lessons may indeed be taught in schools, religious settings and in the workplace, formal inculcation is secondary. Most cultural lessons are learned by observing and imitating role models as they go about their daily affairs, or from those observed in the media.<sup>12</sup>

Culture is difficult to grasp because it is multilayered. International management experts, Fons Trompenaars (from the Netherlands) and Charles Hampden-Turner (from Britain), offer the following instructive analogy in their landmark book, *Riding the Waves of Culture*.

*Culture comes in layers, like an onion. To understand it you have to unpeel it layer by layer.*

*On the outer layer are the products of culture, like the soaring skyscrapers of Manhattan, pillars of private power, with congested public streets between them. These are expressions of deeper values and norms, in a society, that are not directly visible (values such as upward mobility, 'the more-the-better,' status, material success). The layers of values and norms are deeper within the 'onion,' and are more difficult to identify.*<sup>13</sup>

## Culture is a Subtle but Pervasive Force

Culture generally remains below the threshold of conscious awareness because it involves *taken-for-granted assumptions* about how one should perceive, think, act and feel. Cultural anthropologist Edward T. Hall put it the following way.

*Since much of culture operates outside our awareness, frequently we don't even know what we know. We pick [expectations and assumptions] up in the cradle. We unconsciously learn what to notice and what not to notice, how to divide time and space, how to walk and talk and use our bodies, how to behave as men or women, how to relate to other people, how to handle responsibility, whether experience is seen as whole or fragmented. This applies to all people. The Chinese, Japanese or Arabs are each as unaware of their assumptions as we are of our own. We each assume that they're part of human nature. What we think of as 'mind' is really internalized culture.*<sup>14</sup>

In sum, it has been said that, 'you are your culture and your culture is you'. As part of the growing sophistication of marketing practices in the global economy, companies are realizing that from this perspective, consumers from different countries need to be approached differently, or as Lucas Brenninkmeijer, CEO of the European clothes-giant C&A states: 'making clothes for a whole continent is a hard job. When it's hot

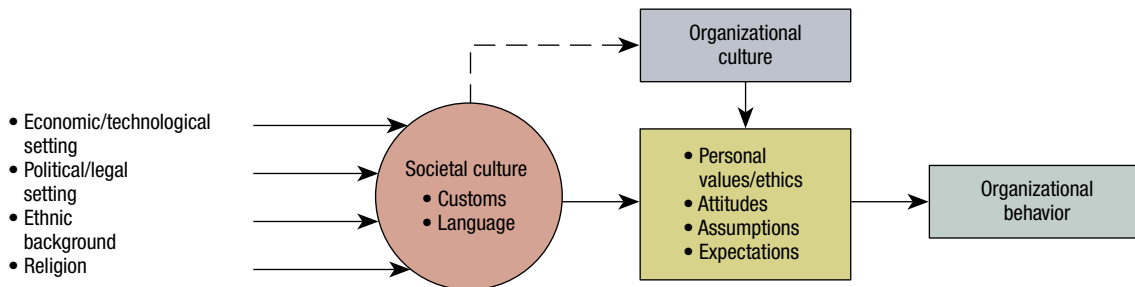
**Culture**  
socially derived,  
taken-for-granted  
assumptions about  
how to think and act

enough for a bikini in Barcelona, you might need a raincoat in Rotterdam. But the weather is not really what bothers us. The real problem are all these little differences: a T-shirt of the Flintstones might be very hip for a fourteen year old in München, but completely ridiculous at a playground in Manchester.<sup>15</sup>

## A Model of Societal and Organizational Cultures

As illustrated in Figure 4–1, culture influences organizational behaviour in two ways. Employees bring their societal culture to work with them in the form of customs and language. Organizational culture, a by-product of societal culture, in turn affects the individual's values and ethics, attitudes, assumptions and expectations.<sup>16</sup>

**Figure 4–1** Cultural Influences on Organizational Behavior



**SOURCE:** Adapted in part from B J Punnett and S Withane, ‘Hofstede’s Value Survey Module: To Embrace or Abandon?’ in *Advances in International Comparative Management*, vol 5, ed S B Prasad (Greenwich, CT: JAI Press, 1990), pp 69–89.

The term societal culture is used here instead of national culture because the boundaries of many modern nation-states were not drawn along cultural lines. The former Soviet Union, for example, included 15 republics and more than 100 ethnic nationalities, many with their own distinct language.<sup>17</sup> Meanwhile, English-speaking Canadians in Vancouver are culturally closer to Americans in Seattle than to their French-speaking compatriots in Quebec. Societal culture is shaped by the various environmental factors listed in the left-hand side of Figure 4–1.

Once inside the organization’s sphere of influence, the individual is further affected by the *organization’s* culture. Mixing of societal and organizational cultures can produce interesting dynamics in multinational companies. For example, with French and American employees working side by side at General Electric’s medical imaging production facility in Waukesha, Wisconsin, unit head Claude Benchimol has witnessed some culture shock.

*The French are surprised that the American parking lots empty out as early as 5 p.m.; the Americans are surprised the French don’t start work at 8 a.m. Benchimol feels the French are more talkative and candid. Americans have more of a sense of hierarchy and are less likely to criticize. But they may be growing closer to the French. Says Benchimol, ‘It’s taken a year to get across the idea that we are all entitled to say what we don’t like, to become more productive and to work better.’<sup>18</sup>*

Same company, same company culture, yet GE’s French and American co-workers have different attitudes about time, hierarchy and communication. They are the products of different societal cultures.<sup>19</sup>

When managing people at work, the individual’s societal culture, the organizational culture and any interaction between the two need to be taken into consideration.

*‘If buyers don’t do their homework properly, you’re sure to end up with a cultural catastrophe’, says Valerie Lachman of M&A International, a German consulting agency*



specialized in advising companies during a take-over. 'For example, when a US group bought a 180 year old, family-owned small company, it didn't take long for the deal to turn sour. The Americans used first names with everybody, spoke English and closed the canteen in the belief that staff could eat sandwiches on the run. They did not, Germans like hot lunches.' Finally, there was even a morning cheerleader session, where German staff were expected to take part and sing 'we are the best'. They did not . . . .<sup>20</sup>

## International OB

### Why your colleagues should be behind bars

In 'the City', the financial district of London, employees have a very specific way of sharing information, discussing projects or just spreading company gossip. Never mind secret memos and discrete lunches: You'll never know what's really going on in a company in 'the City' unless you frequently go to the local pub or bar with your colleagues.

The many different nationalities working in London, however, have different attitudes towards this custom. Britons, Australians and Americans like to say they lead the pack when it comes to catching a pint. Some Europeans, however, prefer to stay at the office a bit longer or go straight home, even if it means losing out on the gossip.

'This pub-culture just isn't French', says Christian Lengelle from Crédit Lyonnais. 'We are not used to going to the café after work to have a drink with colleagues. But I do know some French bachelors who will join their British colleagues for a dinner of beer and peanuts.' Lengelle believes it is easier for Britons to negotiate with their partners to be allowed at least one weekly drink with workmates, because this is a part of the British culture. 'German and French employees have to struggle through lengthy conversations to convince their partners that a night at the pub is as vital for their careers as showing up on time for their meetings', he says.

'The French and the Germans like to keep their work and private lives separate', says a British analyst working at a German bank. 'They don't like contacts outside the office very much.' Americans, on the other hand, like to boast that they are good at organizing dinners with their colleagues. 'I invite the entire team for a dinner at my home to celebrate the closing of a deal', says Jeff Lubin from New York. 'This enhances trust and loyalty.'

However, drinking during working hours is another matter. London 'City' veterans often brag about the fact that they can handle a bottle of wine during a business lunch and still achieve wonders at work afterwards; but Americans pride themselves on not drinking anything during working hours, although some of them can purposefully 'let themselves go', just to be part of the group. 'Americans have a strong desire to be accepted, even if this means drinking alcohol during lunchtime, something which is not natural for them', says Jeff Lubin. 'Recently, I had lunch in "the City" with an American. He apologized to me saying 'I really can't drink a bottle of wine today'. But he quickly added that he was still recovering from his "wet lunch" the other day.'

Keith Nelson is a manager at Matson, Driscoll & Damico, an international consulting firm. Moving from Los Angeles in the US to London proved a rough transition for him—but he would do it again if he had his life over again. 'I really don't miss the riots, the earthquakes, being shot at, you know that kind of thing.' He's been living in London for over three years now and feels comfortable there. He works longer hours in London but says the atmosphere is a lot more relaxed than 'on the other side of the pond'. He says, 'people here are less aggressive and have a lot more interests besides work.' His only complaint about working in the City is the pubs' opening hours. 'For a city the size of London, the 11 p.m. closing time is a bit antiquated.'

**SOURCE:** adapted from Astrid Wendlandt, 'Why your colleagues should be behind bars', *The Financial Times*, August 15, 2000 and Astrid Wendlandt, 'Life is capital on this side of the pond', *The Financial Times*, August 16, 2000.



## Ethnocentrism: A Cultural Roadblock in the Global Economy

### Ethnocentrism

belief that one's native country, culture, language and behaviour are superior

**Ethnocentrism**, the belief that one's native country, culture, language and modes of behaviour are superior to all others, has its roots in the dawn of civilization. First identified as a behavioural science concept in 1906, involving the tendency of groups to reject outsiders,<sup>21</sup> the term *ethnocentrism* generally has a more encompassing (national or societal) meaning today. Worldwide evidence of ethnocentrism is plentiful. For example, ethnocentrism led to deadly 'ethnic cleansing' in Bosnia and Kosovo and genocide in the African nations of Rwanda and Burundi. Less dramatic, but still troublesome, is ethnocentrism within managerial and organizational contexts. Experts on the subject framed the problem in the following way.

[Ethnocentric managers have] a preference for putting home-country people in key positions anywhere in the world and rewarding them more handsomely for work, along with a tendency to feel that this group is more intelligent, more capable or more reliable . . . Ethnocentrism is often not attributable to prejudice as much as to inexperience or lack of knowledge about foreign persons and situations. This is not too surprising, since most executives know far more about employees from their home environments. As one executive put it, 'At least I understand why our own managers make mistakes. With our foreigners, I never know. The foreign managers may be better. But if I can't trust a person, should I hire him or her just to prove we're multinational?'<sup>22</sup>

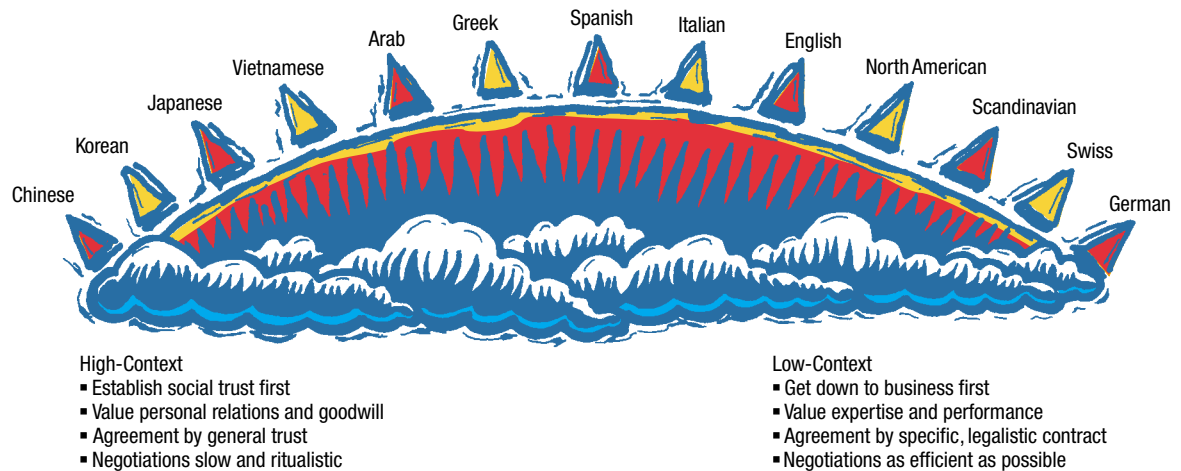
Also, many of today's top executives are getting increasingly careful with their international contacts, in order to avoid ethnocentrism. For example, Goran Lindahl, the former chief executive of the ABB Group, who has been nominated *Industry Week's* CEO of the Year, in 1999, stated in an interview, 'In some cultures, you're not allowed to talk about interest on borrowed money. And you can say, "They are wrong", "They are crazy." They may be, or they may not be, but that's not the issue. The issue is how you can include that value in your way of managing.'<sup>23</sup>

And indeed, as recent research suggests, ethnocentrism is bad for business. A survey of 918 companies with home offices in the United States (272 companies), Japan (309) and Europe (337) found ethnocentric staffing and human resource policies to be associated with increased personnel problems. Those problems included recruiting difficulties, high turnover rates and lawsuits over personnel policies. Among the three regional samples, Japanese companies had the most ethnocentric human resource practices and the most international human resource problems.<sup>24</sup>

Current and future managers can effectively deal with ethnocentrism through education, greater cross-cultural awareness, a conscious effort to value cultural diversity and, of course, international experience. 'You go to America or Asia and you simply learn a whole lot of things you would only read about if you stayed here', says Alison Clarke, head of an Asian division of Shandwick, a British public relations group. 'We like to think that we're the centre of the universe in Britain, but we're not. I find a lot of my colleagues here are way behind in their thinking. The trouble is that they don't realise it.'<sup>25</sup>

## High-Context and Low-Context Societal Cultures

Cultural anthropologists believe interesting and valuable lessons can be learned by comparing one culture with another. Many models have been proposed for distinguishing between the world's rich variety of cultures. One general distinction contrasts high-context and low-context cultures<sup>26</sup> (see Figure 4-2). Managers in multicultural settings need to know the difference if they are to communicate and interact effectively.

**Figure 4-2** *Contrasting High-Context and Low-Context Cultures*

SOURCE: M Munter, 'Cross-Cultural Communication for Managers'. Reprinted with permission from *Business Horizons*, May–June 1993, Figure 3, p 72. Copyright © 1993 by the Board of Trustees at Indiana University, Kelley School of Business.

## Reading Between the Lines in High-Context Cultures

People from **high-context cultures** rely heavily on situational cues for meaning, when perceiving and communicating with another person. Non-verbal cues such as one's official position or status conveys messages more powerfully than do spoken words. Thus, we come to better understand the ritual of exchanging *and reading* business cards in Japan. Japanese culture is relatively high-context. One's business card, listing employer and official position, conveys vital silent messages to members of Japan's homogeneous society. An intercultural communications authority explains:

*Nearly all communication in Japan takes place within an elaborate and vertically organized social structure. Everyone has a distinct place within this framework. Rarely do people converse without knowing, or determining, who is above and who is below them. Associates are always older or younger, male or female, subordinate or superior. And these distinctions all carry implications for the form of address, choice of words, physical distance and demeanor. As a result, conversation tends to reflect this formal hierarchy.<sup>27</sup>*

Verbal and written communication in high-context cultures such as China, Korea and Japan are secondary to taken-for-granted cultural assumptions about other people.<sup>28</sup> In eastern Europe, business practices are more formal and decision making more hierarchical and lengthy. Titles and honorifics are important. Letters are answered late, if at all.<sup>29</sup>

## Reading the Fine Print in Low-Context Cultures

In **low-context cultures**, written and spoken words carry the burden of shared meaning. True, people in low-context cultures read non-verbal messages from body language, dress, status and belongings. However, they tend to double-check their perceptions and assumptions verbally. To do so in China or Japan would be to gravely insult the other person, thus causing them to 'lose face'.<sup>30</sup> Their positions on the continuum in Figure 4-2 indicate the German preoccupation with written rules for even the finest details of behaviour and the North American preoccupation with precise legal documents.<sup>31</sup> In high-context cultures, agreements tend to be made on the basis of someone's word or a handshake, after a rather prolonged trust-building period. European-Americans, who have been taught from birth not to take anything for granted, see the handshake as a prelude to demanding a signature on a detailed, lawyer-approved, iron-clad contract.

**High-context cultures**  
primary meaning derived from non-verbal situational cues

**Low context cultures**  
primary meaning derived from written and spoken words



For example, this distinction between high- and low-context cultures also provides insight into the mechanisms that make negotiations between Western and Asian businesspeople so difficult and for us Europeans, often unnecessarily long-winded and boring. The Western negotiator will try to seek a rather fast agreement on the basis of an impersonal set of promises written down in a contract, whereas the Asian party would prefer to explore more fully the nature of the relationship, being distrustful of legalistic approaches to complex problems, before agreeing to commit time and resources to the venture. The Asian will rely more on the trust that grows over time so that mutual confidence can grow.<sup>32</sup>

In his book, *We Europeans*,<sup>33</sup> Richard Hill presents his Ethnic Map of Europe, which divides the continental western Europeans into two main groups, the Germanics and the Latins. Latins are identified as high context, whereas Germanics are rather low context. This implies that the Latins need no in-depth, background information because they keep themselves informed about everything through friends, family, colleagues and clients. Hence, their professional and private lives are interrelated. Germanics, on the other hand, have no informal networks and need more solid information before they go on. Their approach to life is generally segmented and compartmentalized. In eastern Europe, family and friends come first as well: rather than going through official channels to get something done, they will first network their families, friends and any personal contacts who owe them a favour.<sup>34</sup>

Generally speaking, one can say that in southern Europe a working day starts early in the morning and ends at lunch time, whereas a working day in northern Europe starts between 8 and 9 a.m. and end between 5 and 6 p.m.

A good indicator as to whether a country is high or low context is to check how their meetings are held.<sup>35</sup>

**Figure 4-3** Hill's Ethnic map of Europe



SOURCE: R Hill, *We Europeans* (Brussels: Europublications, 1995), p 320.

- ▼ **France:** detailed agenda, briefing and co-ordination, interaction between the members through the boss, 15 minutes delay is acceptable.
- ▼ **Germany:** very formal, agenda and minutes, co-ordination and briefing, communication through a senior person, it is very important to be punctual.
- ▼ **Italy:** unstructured and informal, people may come and people may go, difficult to impose an agenda, free for all opinions, delay is accepted.
- ▼ **Netherlands:** informality of manner but nevertheless keep to the basic protocols of keeping an agenda, speaking through the chairman.
- ▼ **Spain:** no meetings culture, only to communicate instructions, delay is endemic.
- ▼ **United Kingdom:** most important and time-consuming tool, very serious, unpunctuality is the rule!

## Toward Greater Cross-cultural Awareness and Competence

Aside from being high- or low-context, cultures stand apart in other ways as well.<sup>36</sup> Let us briefly review the following basic factors that vary from culture to culture: individualism, time, interpersonal space, language and communication.<sup>37</sup> This list is intended to be indicative rather than exhaustive. Separately or together these factors can foster huge cross-cultural gaps. Effective multicultural management often depends on whether or not these gaps can be bridged.

A qualification needs to be offered at this juncture. It is important to view all of the cultural differences in this chapter and elsewhere as *tendencies* and *patterns*, rather than as absolutes. As soon as one falls into the trap of assuming *all* Germans are this, *all* British are that and so on, potentially instructive generalizations become mindless stereotypes.<sup>38</sup>

Well-founded cultural generalizations are fundamental to successfully doing business in other cultures. But one needs to be constantly alert to individuals who are exceptions to the local cultural rule. 'People are, in practice, far more diverse than the cultural labelling allows for', warns professor Maurice Cleasby in the *British Journal of Administrative Management*.<sup>39</sup> For instance, it is possible to encounter talkative and aggressive Japanese people and quiet and deferential Americans neither of whom fit their respective cultural moulds. Also, tipping the scale against clear, cultural differences are space-age transportation; global telecommunications, television and computer networks; tourism; global marketing; and music and entertainment. These areas are 'homogenizing' the peoples of the world. The result, according to experts on the subject, is an emerging 'world culture' in which, someday, people may be more alike than different.<sup>40</sup>

### Individualism versus Collectivism

Have you ever been torn between what you personally wanted and what the group, organization or society expected of you? If so, you have first-hand experience of a fundamental and important cultural distinction: individualism versus collectivism. Awareness of this distinction, as we will soon see, can spell the difference between success and failure in cross-cultural business dealings.

**Individualistic cultures**, characterized as 'I' and 'me' cultures, give priority to individual freedom and choice. **Collectivist cultures**, characterised instead as 'we' and 'us' cultures, rank shared goals higher than individual desires and goals. People in collectivist cultures are expected to subordinate their own wishes and goals to those of the relevant social unit. A worldwide survey of 30,000 managers by Trompenaars and Hampden-Turner, who prefer the term *communitarianism* to collectivism, found the

**Individualistic culture**  
primary emphasis  
on personal freedom  
and choice

**Collectivist culture**  
personal goals less  
important than  
community goals  
and interests

highest degree of individualism in Israel, Romania, Nigeria, Canada and the United States. Countries ranking lowest in individualism—thus qualifying as collectivist cultures—were Egypt, Nepal, Mexico, India and Japan. Brazil, China and France also ended up toward the collectivist end of the scale.<sup>41</sup>

## A Business Success Factor

In our multicultural Western society, one can of course expect to encounter both individualists and collectivists. For example, imagine the frustration of Dave Murphy, an American salesperson who tried to get Navajo Indians interested in saving money for their retirement. After several fruitless meetings with groups of Navajo employees, he was given this cultural insight by a local official, 'If you come to this environment, you have to understand that money is different. It's there to be spent. If you have some, you help your family.'<sup>42</sup> To traditional Navajos, enculturated as collectivists, saving money is an unworthy act of selfishness. Subsequently, the sales pitch was tailored to emphasize the family benefits of individual retirement savings plans.

## Allegiance to Whom?

The Navajo example raises an important point about collectivist cultures. Specifically, which unit of society predominates? For the Navajos, family is the key reference group. But, as Trompenaars and Hampden-Turner observe, important differences exist even between collectivist (or communitarian) cultures.

For each society, it is necessary to determine the group with which individuals have the closest identification. They could be keen to identify with either their trade union, family, corporation, religion, profession, nation or the state apparatus. The French tend to identify with *la France, la famille, le cadre*; the Japanese with the corporation; the former Eastern Bloc with the Communist Party; and the Irish with their Church. Communitarian goals may be good or bad for industry depending on the community concerned, its attitude and relevance to business development.<sup>43</sup>

## Cultural Perceptions of Time

In North American and northern European cultures, time seems to be a simple matter. It is linear, relentlessly marching forward, never backward, in standardized chunks. To the German who received a watch for his or her third birthday, time is like money. It is spent, saved or wasted.<sup>44</sup> Americans are taught to show up 10 minutes early for appointments. When working across cultures, however, time becomes a very complex matter.<sup>45</sup> Imagine a Swiss person's chagrin when left in a waiting room for 45 minutes, only to find a Latin-American government official then deals with him and three other people all at once. The Swiss person resents the lack of prompt and undivided attention. The Latin-American official resents the Swiss person's impatience and apparent self-centredness.<sup>46</sup> This vicious cycle of resentment can be explained by the distinction between **monochronic time** and **polychronic time**.

*The former is revealed in the ordered, precise, schedule-driven use of public time that typifies and even caricatures efficient northern Europeans and North Americans. The latter is seen in the multiple and cyclical activities and concurrent involvement with different people in the Mediterranean, Latin American and especially Arab cultures.*<sup>47</sup>

## A Matter of Degree

Monochronic and polychronic are relative rather than absolute concepts. Generally, the more things a person tends to do at once, the more polychronic that person is.<sup>48</sup> Thanks to computers and advanced telecommunications systems, highly polychronic managers can engage in 'multitasking'.<sup>49</sup> For instance, it is possible to talk on the telephone, read and respond to computer email messages, print a report, check a pager

**Monochronic time**  
preference for doing one thing at a time because time is limited, precisely segmented and schedule driven

**Polychronic time**  
preference for doing more than one thing at a time because time is flexible and multidimensional

message and eat a stale sandwich all at the same time. Unfortunately, this extreme polychronic behaviour is too often not as efficient as hoped and can be very stressful.

*In a European context, we can say that, using our categories, Latins are polychronic whereas Germanics are monochronic. In other words, the first are schedule-independent and the latter schedule-dependent. In Italy, for example, if something intervenes to make you late—a meeting running overtime, a surprise meeting with someone important or an unexpected telephone call—then it is understandable. While it is impolite to arrive late for a meeting, it is even more impolite to break off the previous one because it is overrunning.<sup>50</sup>*

Monochronic people prefer to do one thing at a time. What is your attitude toward time? (You can find out by completing the Polychronic Attitude Index in the next OB Exercise).

### Practical Implications

Low-context cultures, such as those of Northern America and northern Europe, tend to run on monochronic time while high-context cultures, such as those of Latin America and southern Europe, tend to run on polychronic time. People in polychronic cultures view time as flexible, fluid and multidimensional. The Germans and Swiss have made an exact science of monochronic time. In fact, a new radio-controlled watch made by a German company, Junghans, is ‘guaranteed to lose no more than one second in 1 million years’.<sup>51</sup> Many a visitor has been a minute late for a Swiss train, only to see its tail lights leaving the station. Time is more elastic in polychronic cultures. During the Islamic holy month of Ramadan in the Middle East, for example, the faithful fast during daylight hours and the general pace of things markedly slows. Managers need to reset their mental clocks when doing business across cultures.

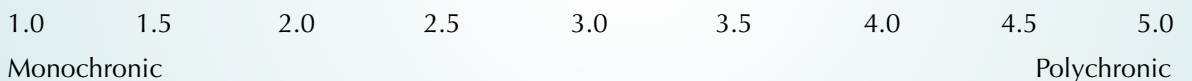
## OB Exercise

### The Polychronic Attitude Index

Please consider how you feel about the following statements. Circle your choice on the scale provided, showing whether you: strongly agree, agree, are neutral, disagree or strongly disagree.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I do not like to juggle several activities at the same time.	5	4	3	2	1
People should not try to do many things at once.	5	4	3	2	1
When I sit down at my desk, I work on one project at a time.	5	4	3	2	1
I am not comfortable doing several things at the same time.	5	4	3	2	1

Add up your points, and divide the total by 4. Then plot your score on the scale below.



The lower your score (below 3.0), the more monochronic your orientation; and the higher your score (above 3.0), the more polychronic.

SOURCE: A C Bluedorn, C F Kaufman, and P M Lane, ‘How Many Things Do You Like to Do at Once? An Introduction to Monochronic and Polychronic Time’, *Academy of Management Executive*, November 1992, Exhibit 2, p 20.

## Interpersonal Space

Anthropologist Edward T. Hall noticed a connection between culture and preferred interpersonal distance. People from high-context cultures were observed standing close when talking to someone. Low-context cultures appeared to dictate a greater amount of interpersonal space. Hall applied the term **proxemics** to the study of cultural expectations about interpersonal space.<sup>52</sup> He specified four interpersonal distance zones. Some call them space bubbles. These distances are referred to as:

### Proxemics

Hall's term for the cultural expectations about interpersonal space

- ▼ intimate
- ▼ personal
- ▼ social
- ▼ public.

Ranges for the four interpersonal distance zones are illustrated in Figure 4-3, along with selected cultural differences.

In North America or northern Europe, business conversations are normally conducted at about a metre (three to four foot) distance, within the personal zone in Figure 4-3. A range of approximately a third of a metre (one foot) is common in Latin American and Asian cultures, which is uncomfortably close for northern Europeans and North Americans. Arabs like to get even closer. Mismatches in culturally dictated interpersonal space zones can prove very distracting for the unprepared. Hall explains:

*Arabs tend to get very close and breathe on you. It's part of the high sensory involvement of a high-context culture.*

*The Briton on the receiving end can't identify all the sources of his discomfort but feels that the Arab is pushy. The Arab comes close, the Brit backs away. The Arab follows, because he can only interact at certain distances. Once the Briton learns that Arabs handle space differently and that breathing on people is a form of communication, the situation can sometimes be redefined so the Briton relaxes.<sup>53</sup>*

Asian and Middle-Eastern hosts grow weary of having to seemingly chase their low-context guests around at social gatherings to maintain what they feel is proper conversational range. Backing away all evening to keep conversational partners at a proper distance is an awkward experience as well. Awareness of cultural differences, along with skilful accommodation, are essential to productive intercultural business dealings.

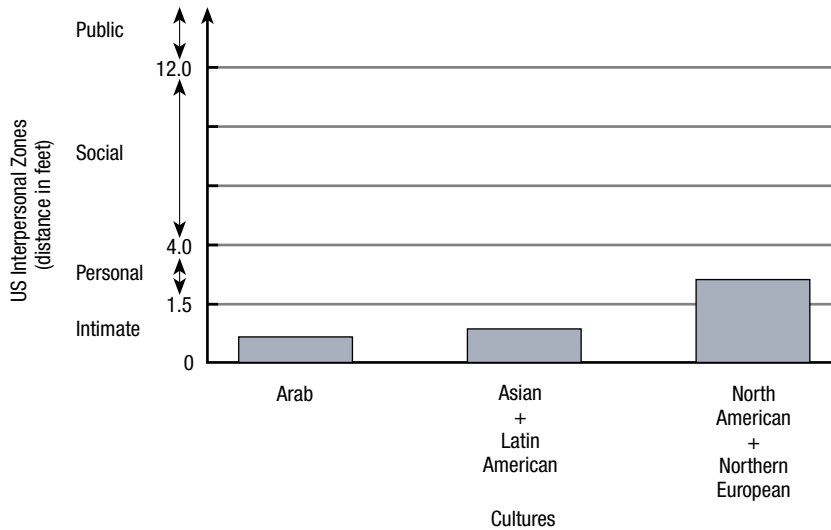
Norwegians, by comparison, can be very jealous of their bubbles of space—to an extent that they even astonished an American visitor. 'One of the first things I noticed when I moved to Norway was that Norwegians need a lot of personal space', he remarked to an interviewer. 'Once I went into someone's office for an informal chat and sat down on the edge of his desk, some two metres from him! I had the direct impression that I was on his territory. Also, I have found that if one reaches out to another during a conversation, there will almost immediately be a recoil from the listener.'<sup>54</sup>

## Language and Cross-Cultural Communication

More than 3,000 different languages are spoken worldwide. What is the connection between these languages and information processing and behaviour? There is an ongoing debate among anthropologists concerning the extent to which language influences perception and behaviour. On one side of the argument, the *relativists* claim each language fosters unique perceptions. On the other side, *universalists* state that all languages share common elements and thus foster common thought processes and perceptions.

A study involving subjects from eight countries attempted to resolve this debate. Subjects from the United States, Britain, Italy, Greece, former Yugoslavia, Pakistan, Hong Kong and Vietnam were shown 15 flash cards, each printed with three pairs of words. Language experts certified the various translations as accurate. The idea was to see if adults from different cultures, speaking different languages, would perceive the





**Figure 4-4**  
Interpersonal Distance Zones for Business Conversations Vary from Culture to Culture

same semantic elements in the paired words. Illustrative semantic elements or basic language building blocks, are as follows: opposite = alive/dead; similar = furniture/bed. The researchers found ‘considerable cross-cultural agreement on the meaning and use of semantic relations’.<sup>55</sup> Greatest agreement was found for semantic opposites (such as alive/dead). These findings tip the scale in favor of the universalists. We await additional research evidence for a definitive answer.

If we take a closer look at language knowledge in Europe, Table 4-1 reveals that English is still the best known language throughout Europe (42 per cent). Surprisingly, however, more people know German (31 per cent) than French (29 per cent); although French is still the main second language in many schools in Europe. However, these data do not imply that those speaking one or more of the above-mentioned languages should not make any effort to learn other languages, as 58 per cent of the European population still does not understand English, with 69 per cent and 71 per cent not speaking German and French respectively. According to Nigel Brockman, human resource manager of the publishing arm of the Thomson Corporation, language skills account for part of the success of managers of smaller countries such as Belgium or Switzerland.<sup>56</sup>

	Bel	Dk	Ger	Gr	Sp	Fr	Ire	It	Lux	NL	Por	UK	EU12
Danish	0	100	2	0	0	0	0	0	2	0	0	0	2
Greek	0	0	0	100	0	0	0	0	2	1	0	1	3
Portuguese	1	0	0	0	2	2	0	0	4	1	100	0	3
Dutch	68	1	1	0	0	0	0	0	4	100	0	1	7
Spanish	3	2	2	0	98	10	1	2	4	3	7	3	14
Italian	3	1	1	2	1	4	1	100	15	1	1	2	18
French	70	8	9	4	9	100	14	17	90	90	16	21	29
German	16	47	99	5	1	8	4	3	90	60	1	8	31
English	34	68	35	25	13	30	100	19	46	72	20	100	42
Other	3	5	6	3	25	6	20	1	94	9	1	6	7

**Table 4-1**  
Percentage of People in 12 Former EC Countries Who Can Take Part in a Conversation in Another Language

SOURCE: Eurobarometer, 1994.

### Three Cross-Cultural Communication Options

Those attempting to communicate across cultures have three options:

- ▼ stick to their own language
- ▼ rely on translators
- ▼ learn the local language.

The first option, preferred by those who insist English has become the language of global business, are at a serious competitive disadvantage. Ignorance of the local

language means missing subtle yet crucial meanings, risking unintended insult and jeopardizing the business transaction. For example, according to one well-travelled business writer, 'In Asia, a "yes" answer to a question simply means the question is understood. It's the beginning of negotiations. In the Middle East, the response will probably be some version of "God willing".<sup>57</sup> Live translations, translations of written documents and advertisements, and computer email translations are helpful but plagued by accuracy problems.<sup>58</sup>

Bad translations might often be amusing, but they're potentially damaging to business. In *Management Today*, Jonah Bloom gives this example from a hotel brochure advertising holidays in the French Alps: 'The hotel has a heated of course swimming pool. Thus even by thunder weather dare to dive in and in case of likely congestion, the barmaid owning proper diplomas will help.' All very funny, until it's your brochure being read.

In business, a lack of linguistic ability can be fatal, Bloom continues, 'the most poignant story involves a UK manufacturer that went bust. When the official receivers looked through the paperwork, they found a letter in a filing cabinet, written in German. No-one at the firm had understood it, so it had been filed away with other miscellaneous correspondence. It turned out to be a purchase big enough to have saved the firm from insolvency.'<sup>59</sup>

Successful international managers, especially the ones from smaller countries, tell us there is no adequate substitute for knowing the local language. However, language skills account for only part of their success: linguistic skills, although important, are not the only skill needed by a cross-cultural manager. 'We have had some people from the UK who go to a continental subsidiary with hardly any knowledge of the language, but who manage to communicate', says Nicole Huyghens, a Belgian born-manager who works in Marks & Spencer's Paris office. 'It is an attitude of mind. Humility is an important quality', she says. 'You have to accept you are not going to be as confident or competent as you are in your own environment.'<sup>60</sup>

'In fact, every culture has its own manual', states Belle Van der Linden, a Dutch adviser specialized in attracting and selecting migrant employees. 'If you want to be successful, you have to know how people in other cultures communicate with each other. For example, if you want to hire Moroccan or Turkish girls to work in the health sector, the permission of each girl's father is essential. If you want to attract personnel from the Chinese minority in our country, you have to approach the daughters. Generally, the parents only speak Chinese and the daughters are often the key person [or link with the non-Chinese community] in a family. They are the ones that can introduce you to others in the community.'<sup>61</sup>

Very often, communication difficulties arise in the numerous 'marriages' between Dutch and British companies, such as Reed and Elsevier, Shell, P&O Nedlloyd and so on. The discussions between British Airways and KLM, the Dutch airways, came to nothing partly due to communication troubles. The Britons have a rather indirect style during meetings, they don't want to say things in a negative way, because this would mean loss of face for the other one. The Dutch, on the other hand, have some kind of a 'you're an idiot but don't take it personally' attitude, their style is more direct. They want to make decisions during meetings and transform them into actions; but the English do that before and after the meetings, in a private atmosphere.

'That's why diplomatic missions at Shell were always assigned to the English. For the tougher business part, the Dutch were engaged', says cross-cultural expert Fons Trompenaars. 'Britons and the Dutch have a radically different style of communicating. It's the English *stiff upper lip* versus the Dutch openness. At Shell, this caused enormous problems during meetings', he concludes.<sup>62</sup> (An overview of Trompenaar's main theories will be briefly given later in the chapter.)

## General Guidelines for Effective Cross-Cultural Communication

Regardless of which cross-cultural communication option is used, the following four guidelines from international management scholars Philip R. Harris and Robert T. Moran are useful.

- 1 *No matter how hard one tries, one cannot avoid communicating.* All behaviour in human interaction has a message and communicates something. Body language communicates as well as our activity or inactivity, the colour of our skin, the colour of our clothes or the gift we give. All behaviour is communication because all behaviour contains a message, whether intended or not.
- 2 *Communication does not necessarily mean understanding.* Even when two individuals agree that they are communicating or talking to each other, it does not mean that they have understood each other. Understanding occurs when the two individuals have the same interpretation of the symbols being used in the communication process, whether the symbols be words or gestures.
- 3 *Communication is irreversible.* One cannot take back one's communication (although sometimes one wishes that one could). However, one can explain, clarify or re-state the message. Once one has communicated, it is part of his or her experience and it influences present and future meanings. Disagreeing with a Saudi Arabian in the presence of others is an 'impoliteness' in the Arab world and may be difficult to remedy.
- 4 *Communication occurs in a context.* One cannot ignore the context of communication that occurs at a certain time, in a certain place, using certain media. Such factors have message value and give meaning to the communicators. For example, a business conversation with a French manager in France during an evening meal may be inappropriate.<sup>63</sup>

## Practical Insights from Cross-Cultural Management Research

Nancy Adler, an international OB specialist at Canada's McGill University, has offered the following introductory definition. '**Cross-cultural management** studies the behaviour of people in organizations around the world and trains people to work in organizations with employee and client populations from several cultures.'<sup>64</sup> Inherent in this definition are three steps. First, understand cultural differences; second, identify culturally appropriate management practices; and third, teach cross-cultural management lessons. The cross-cultural studies discussed in this section contribute to all three.

**Cross-cultural management**  
understanding and teaching behavioural patterns in different cultures

### The Hofstede–Bond Stream of Research

Instructive insights surfaced in the mid-1980s when the results of two very different cross-cultural management studies were merged. The first study was conducted under the guidance of Dutch researcher, Geert Hofstede. The tremendous impact his research had on the contemporary cultural thinking is reflected by the fact that Hofstede is currently the world's most cited living author in the entire area of the social sciences. Canadian Michael Harris Bond, at the Chinese University of Hong Kong, was a key researcher in the second study. What follows is a brief overview of each study, a discussion of the combined results and a summary of important practical implications.

### The Two Studies

Hofstede's study is a classic in the annals of cross-cultural management research.<sup>65</sup> He drew his data for that study from a collection of 116,000 attitude surveys administered to IBM employees worldwide between 1967 and 1973. Respondents to

the attitude survey, which also asked questions on cultural values and beliefs, included IBM employees from 72 countries. Fifty-three cultures were eventually analyzed and contrasted according to four cultural dimensions. Hofstede's database was unique, not only because of its large size, but also because it allowed him to isolate cultural effects. If his subjects had not performed similar jobs in different countries for the same company, no such control would have been possible. Cross-cultural comparisons were made along the first four dimensions listed in Table 4-2, power distance, individualism–collectivism, masculinity–femininity and uncertainty avoidance.

Bond's study was much smaller, involving a survey of 100 (50 per cent women) students from 22 countries and 5 continents. The survey instrument was the Chinese Value Survey (CVS), based on the Rokeach Value Survey.<sup>66</sup> The CVS also tapped four cultural dimensions. Three corresponded with Hofstede's first three in Table 4-2. Hofstede's fourth cultural dimension, uncertainty avoidance, was not measured by the CVS. Instead, Bond's study isolated the fifth cultural dimension in Table 4-2. It eventually was renamed *long-term versus short-term orientation* to reflect how strongly a person believes in the long-term thinking promoted by the teachings of the Chinese philosopher Confucius (551–479 BC). According to an update by Hofstede, 'On the long-term side one finds values oriented towards the future, like thrift (saving) and persistence. On the short-term side one finds values rather more oriented towards the past and present, like respect for tradition and fulfilling social obligations.'<sup>67</sup> Importantly, one may embrace Confucian long-term values without knowing a thing about Confucius.<sup>68</sup>

**Table 4-2**  
*Key Cultural Dimensions in the Hofstede–Bond Studies*

<i>Power distance:</i> How much do people expect inequality in social institutions (e.g., family, work organizations, government)?
<i>Individualism–collectivism:</i> How loose or tight is the bond between individuals and societal groups?
<i>Masculinity–femininity:</i> To what extent do people embrace competitive masculine traits (e.g., success, assertiveness and performance) or nurturing feminine traits (e.g., solidarity, personal relationships, service, quality of life)?
<i>Uncertainty avoidance:</i> To what extent do people prefer structured versus unstructured situations?
<i>Long-term versus short-term orientation (Confucian values):</i> To what extent are people oriented toward the future by saving and being persistent versus being oriented toward the present and past by respecting tradition and meeting social obligations?

SOURCE: Adapted from discussion in G Hofstede, 'Cultural Constraints in Management Theories', *Academy of Management Executive*, February 1993, pp 81–94.

### East Meets West

By merging the two studies, a serious flaw in each was corrected. Namely, Hofstede's study had an inherent Anglo-European bias and Bond's study had a built-in Asian bias. How would cultures compare if viewed through the overlapping lenses of the two studies? Hofstede and Bond were able to answer that question because 18 countries in Bond's study overlapped the 53 countries in Hofstede's sample.<sup>69</sup> Table 4-3 lists the countries scoring highest on each of the five cultural dimensions. (Countries earning between 67 and 100 points on a 0 to 100 relative ranking scale, qualified as 'high' for Table 4-2.) The United States, for example, scored the highest in individualism, moderate in power distance, masculinity and uncertainty avoidance and low in long-term orientation.

High Power Distance	High Individualism	High Masculinity	High Uncertainty Avoidance	High Long-Term Orientation*
Philippines	United States	Japan	Japan	Hong Kong***
India	Australia		Korea	Taiwan
Singapore	Great Britain		Brazil	Japan
Brazil	Netherlands		Pakistan	Korea
Hong Kong***	Canada		Taiwan	
	New Zealand			
	Sweden			
	Germany**			

**Table 4-3**  
Countries Scoring the Highest in the Hofstede-Bond Studies

\*Originally called Confucian Dynamism.

\*\*Former West Germany.

\*\*\*Reunited with China.

SOURCE: Adapted from Exhibit 2 in G Hofstede and M H Bond, 'The Confucius Connection: From Cultural Roots to Economic Growth', *Organizational Dynamics*, Spring 1988, pp 12–13.

## Practical Lessons

Individually and together, the Hofstede and Bond studies yielded the following useful lessons for international managers.

- 1 Due to varying cultural values, management theories and practices need to be adapted to the local culture. This is particularly true for made-in-America management theories (such as Maslow's need hierarchy theory, see Chapter 7) and Japanese management practices.<sup>70</sup> There is no 'one best way' to manage across cultures.
- 2 High long-term orientation was the only one of the five cultural dimensions to correlate positively with national economic growth.
- 3 Industrious cultural values are a necessary but insufficient condition for economic growth. Markets and a supportive political climate are also required to create the right mix.<sup>71</sup>
- 4 Cultural arrogance is a luxury individuals and nations can no longer afford in a global economy.

## Trompenaars's forms of relating to other people

In his study on cultural differences between 28 countries, Fons Trompenaars has developed five relevant dimensions<sup>72</sup>: universalism–particularism; individualism–collectivism; neutral–emotional; specific–diffuse; and achievement–ascription.

### Universalism–Particularism

Universalism implies that what is good and right can be applied everywhere (abstract societal codes). Typical rule-based cultures are, for example, Anglo-Saxon and Scandinavian countries like the Netherlands, Germany and Switzerland. Particularist cultures, on the other hand, are more friendship-based. What counts here are relationships and unique circumstances. 'I must protect the people around me, no matter what the rules say.' Typical particularist countries are, for example, Russia, Spain and France.

In practice, we will need both judgements. For example, sometimes universalist rules have no answers to particularist problems. Hence, co-operation between people from both cultures will sometimes cause serious problems: universalists will, for example,



accuse particularists of corruption when they ‘help’ a friend or a family member, whereas universalists will be said to be selfish if they refuse to help an acquaintance. A very detailed contract, drawn by a universalist specifying every legal detail, is seen by the particularist as if ‘he does not trust me as a business partner’. The particularist will first build a relationship with his business partner. Once mutual trust is established, a particularist considers it is not necessary to draw up a detailed contract: the relationship is the guarantee. (See table 4-4)

**Table 4-4**

*Business Areas Affected by Universalism/Particularism*

UNIVERSALISM	PARTICULARISM
Focus is more on rules than on relationships	Focus is more on relationships than on rules
Legal contracts are readily drawn up	Legal contracts are readily modified
A trustworthy person is one who honours his or her ‘word’ or contract	A trustworthy person is the one who honours changing circumstances
There is only one truth or reality, that which has been agreed to	There are several perspectives on reality relative to each participant
A deal is a deal	Relationships evolve

**Individualism-Collectivism**

Individualist countries, such as the Netherlands and Sweden, are oriented on one’s self. Collectivist countries are rather group-oriented. Think about the typical family-minded Frenchman.

Regarding oneself as an individual or as part of a group has serious influences on negotiations, on decision-making and on motivation. Pay-for-performance, for example, is welcomed in the USA, the Netherlands and the UK. More collectivist cultures, such as France, most parts of Asia and Germany, are very reluctant to follow the Anglo-Saxon pay-for-performance systems. They take offence at the idea that one’s performance is related to another’s deficiencies. In negotiations and decision-making, collectivists will take no decision without prior and elaborate discussions with the home front. Individualists, however, will usually take a decision on their own without the prior consent of their colleagues or bosses. As to motivation, too, individualism and collectivism play an important role. Individualists work for money rewards, collectivists rather more for positive reward and support from their colleagues (see Table 4-5) .

**Table 4-5**

*Business Areas Affected by Individualism/Collectivism*

INDIVIDUALISM	COLLECTIVISM
More frequent use of ‘I’ and ‘me’	More frequent use of ‘we’
In negotiations, decisions typically made on the spot by a representative	Decisions typically referred back by delegate to the organization
People ideally achieve alone and assume personal responsibility	People ideally achieve in groups which assume joint responsibility
Holidays taken in pairs, or even alone	Holiday taken in organized groups or extended family

**Neutral-emotional**

Showing or not showing our emotion is culturally embedded. People from countries such as North America, Europe and Japan will hardly express their feelings in a first business contact, whereas people from southern countries, like Italy and France are very affective and open. Business contacts between the cultures may cause numerous misunderstandings. Neutral people are considered as having no feelings, emotional people are considered as being out of control (see Table 4-6).

EMOTIONAL	NEUTRAL
Show immediate reactions either verbally or non-verbally	Opaque emotional state
Express face and body signals	Do not readily express what they think or feel
At ease with physical contact	Embarrassed or awkward at public displays of emotions
Raise voice readily	Discomfort with physical contact outside 'private' circle
	Subtle in verbal and non-verbal expressions

**Table 4-6**  
*Business Areas*  
*Affected by*  
*Neutral/Affective*  
*Relationships*

### Specific-diffuse

In specific cultures home and business are strictly separated, contacts are on a contractual basis. In more diffuse cultures both worlds are interrelated, the entire person is involved. In specific-oriented cultures, the relationship you have with a person depends on the common ground you have with that person at that moment. If you are specialized in a certain area you will have 'the advantage' in that subject. If, on the other hand, the other person has more knowledge in another area, the roles will be reversed. In diffuse countries, like France, one's authority permeates each area of life. In such cultures, everything is connected to everything. In negotiations, for example, your business partner may ask for your personal background (see Table 4-7).

SPECIFIC	DIFFUSE
More 'open' public space, more closed 'private' space	More 'closed' public space but, once in, more 'open' private space
Appears direct, open and extravert	Appears indirect, closed and introvert
'To the point' and often appears abrasive Highly mobile	Often evades issues and 'beats about the bush'
Separates work and private life	Low mobility
Varies approach to fit circumstances especially with use of titles (e.g., Herr Doktor Müller at work is Hans in social environments or in certain business meetings)	Work and private life are closely linked Consistent in approach, especially with use of titles (e.g., Herr Doktor Müller remains Herr Doktor Müller in any setting)

**Table 4-7**  
*Business Areas*  
*Affected by*  
*Specific/Diffuse*  
*Relationships*

### Achievement-ascription

In achievement-oriented cultures, such as France, emphasis is put on what you have accomplished; in ascription-oriented cultures, your personality counts. Different countries confer status on individuals in different ways. Anglo-Saxons, for example, will ascribe status to reasons for achievement.

The following situation illustrates that cultural differences can lead to serious misunderstandings in business. A Danish paint manufacturing company wanted a large English firm to represent it in Britain. Having received encouraging signals on a first visit, the Danish managers came over a second time and were surprised by the complete lack of interest. Yet they were still not turned down. The British 'no' was finally received in a telex of three lines after a total of three visits and much wasted advance planning from the Danish end. Why didn't the English say 'no' at the start?<sup>73</sup>

## A Contingency Model for Cross-Cultural Leadership

If a manager has a favourite leadership style in his or her own culture, will that style be equally appropriate in another culture? According to a model that built upon Hofstede's work, the answer is 'not necessarily'.<sup>74</sup> Four leadership styles—directive, supportive, participative and achievement—were matched with variations of three of Hofstede's cultural dimensions. The dimensions used were power distance, individualism–collectivism and uncertainty avoidance.

By combining this model with Hofstede's and Bond's findings, we derived the useful contingency model for cross-cultural leadership as set out in Table 4–8. Participative leadership turned out to be culturally appropriate for all 18 countries. Importantly, this does *not* mean that the participative style is necessarily the *best* style of leadership in cross-cultural management. It simply has broad applicability. One exception surfaced in a more recent study in Russia's largest textile mill. The researchers found that both rewarding good performance with American-made goods and motivating performance with feedback and positive reinforcement improved output. But an employee participation programme actually made performance *worse*. This may have been due to the Russians' lack of faith in participative schemes, which were found to be untrustworthy in the past.<sup>75</sup>

Also of note, with the exception of France, the directive or autocratic style appears to be culturally *inappropriate* in North America, northern Europe, Australia and New Zealand. Some locations, such as Hong Kong and the Philippines, require great leadership versatility. Leadership needs to be matched to the prevailing cultural climate.

**Table 4–8**

*A Contingency Model for Cross-Cultural Leadership*

COUNTRY	Most Culturally Appropriate Leadership Behaviours			
	DIRECTIVE	SUPPORTIVE	PARTICIPATIVE	ACHIEVEMENT
Australia			X	X
Brazil	X			X
Canada			X	X
France	X			
Germany*			X	X
Great Britain			X	X
Hong Kong	X		X	X
India	X			X
Italy	X		X	
Japan	X		X	
Korea	X		X	
Netherlands			X	X
New Zealand			X	X
Pakistan	X		X	
Philippines	X		X	X
Sweden			X	X
Taiwan	X		X	
United States			X	X

\*Former West Germany.

Source: Adapted in part from C A Rodrigues, 'The Situation and National Culture as Contingencies for Leadership Behaviour: Two Conceptual Models', in *Advances in International Comparative Management* vol 5, ed S B Prasad (Greenwich, CT: JAI Press, 1990), pp 51–68; and G Hofstede and M H Bond, 'The Confucius Connection: From Cultural Roots to Economic Growth', *Organizational Dynamics*, Spring 1988, pp 4–21.

Although many researchers have focused their attention on leadership differences between countries with greater cultural distance, a recent study was conducted in the United States and Germany, two close international allies and business partners. It was found that both countries differed in the transformational leadership dimensions of charisma and inspirational motivation (see Chapter 8). In this study, US employees reported a greater frequency of leadership focused on vision, a desired future, and

optimism and enthusiasm in its attainability. These findings suggest that the primary difference between these two countries lies in the stronger use of charisma and inspirational leadership among US plant populations.<sup>76</sup> However, if we relate these findings to our Daimler-Chrysler opening case, the leadership styles of Jürgen Schrempp and Robert Eaton—the two respective chairmen of the German and the American division at that time—seem rather contrary to these results. ‘Eaton was a rather introvert, silent thinker, not a consensus builder. Schrempp was a man who revelled in hearty discussions; a man who valued relationships’, write Bill Vlasic and Bradley Stertz in their book *Taken for a Ride*. ‘At the merger celebration, nobody sang louder, longer and more exuberantly than Schrempp. He was leading the company and the chorus, raising the rafters in song.’<sup>77</sup> As this example makes clear, leadership is influenced by a variety of factors of which national culture is only one: personality characteristics are also of overriding importance. (We will discuss Leadership further in Chapter 16 and Personality in Chapter 5.)

### **National culture and leadership profiles in Europe: some results from the GLOBE study**

Today, probably the largest cross-cultural study ever on leadership profiles is the GLOBE project. Using data gathered over the last 10 years, the GLOBE team discusses similarities and differences on culture and leadership dimensions all over the world. GLOBE has evolved into a project in which some 170 investigators over 60 nations are represented. In Europe, some 21 countries are involved.

The results from their European study show that two broad clusters or patterns of leadership profiles can be distinguished, contrasting north-western and south-eastern Europe. Within these clusters, differences in leadership prototypes mirror differences in culture to a certain extent. One thing that is clear from their research is that it is hardly possible to speak of a single, typically European culture or one distinct European management style.

For example, managers in the countries of south and east Europe show high scores on the following aspects in the GLOBE: administrative competence, autocratic, conflict inducing, diplomatic, face-saving, non-participative, procedural oriented, self-centred and status conscious. In the countries of north and west Europe, the categories showing high scores, and therefore thought of as most important are: inspirational, charismatic and integrity.

The researchers place these results in the context of recent history. Managers from central and eastern Europe show a considerably less negative attitude towards autocratic management styles than do western European managers. Also, perhaps as a result of their long experience in a command economy that fostered formal and obedient behaviour through its highly bureaucratic practices and traditions, managers from this part of Europe developed a more positive attitude towards administrative skills and procedural behaviours. Furthermore, managers from south and east Europe value diplomacy in leaders more than do the European managers from the north and west.<sup>78</sup>

### **Preparing employees for successful foreign assignments**

As mentioned in the opening to this chapter, foreign experience has become a necessary stepping stone in one’s career development. As the reach of global companies continues to grow, many opportunities for living and working in foreign countries will arise. For example, one company who in its striving to become a worldwide force, makes increasing use of international assignments, is British Airways. ‘We knew we had to globalize our company and that centred entirely on how we develop people in the business’, says Fran Spencer, HR manager at the airline. ‘We will

know when we have got there: a third of graduate recruits will be from outside the UK, a quarter of the board will be non-UK nationals; and our own top 100 managers will have spent at least half a year of their working life outside the country'.<sup>79</sup>

## Why Do So Many Expatriates Fail On Foreign Assignments?

**Expatriate**  
anyone living or  
working in a foreign  
country

As we use the term here, **expatriate** refers to anyone living or working outside their home country. Hence, they are said to be expatriated when transferred to another country and repatriated when transferred back home. A recent article described European expatriates strikingly well as 'Euronomads'. According to Kevin Martin, a Scot working in Brussels, 'Euronomads are like mercenaries. They don't have a fixed spot to live, all they need is a decent laptop, the will to wander and a schedule of the Eurostar'.<sup>80</sup>

As an example, David Best, who works for the pan-European company Motor Care, does business all over Europe. He's been everywhere, to Sweden, Ireland, Germany and France. He does more international than national conversations—has six retirement plans running. He noticed that he's not so much appreciated for his knowledge and his managerial skills as his ability to readily adapt to different European cultures. 'There's a difference between talking French and acting French', he explains. 'The boss needs me, sometimes to play interpreter, sometimes just to inform him about specific sensitivities in certain cultures'.<sup>81</sup>

However, expatriate managers are usually characterized as culturally inept and prone to failure on international assignments. Sadly, research supports this view. A pair of international management experts recently offered the following assessment.

*Over the past decade, we have studied the management of expatriates at about 750 US, European and Japanese companies. We asked both the expatriates themselves, and the executives who sent them abroad, to evaluate their experiences. In addition, we looked at what happened after expatriates returned home.*

*Overall, the results of our research were alarming. We found that between 10 and 20 per cent of all managers sent abroad returned early because of job dissatisfaction or difficulties in adjusting to a foreign country. Of those who stayed for the duration, nearly a third did not perform up to the expectations of their superiors. And perhaps most problematic, a fourth of those who completed an assignment left their company, often to join a competitor, within a year of repatriation. That turnover rate is double that of managers who did not go abroad.*<sup>82</sup>

Because of the high cost of sending employees and their families to foreign countries for extended periods, significant improvement is needed. Research has uncovered specific reasons for the failure of expatriates. Listed in decreasing order of frequency, are the following seven most common reasons.

- 1 The expatriate's spouse cannot adjust to new physical or cultural surroundings.
- 2 The expatriate cannot adapt to new physical or cultural surroundings.
- 3 Family problems.
- 4 The expatriate is emotionally immature.
- 5 The expatriate cannot cope with foreign duties.
- 6 The expatriate is not technically competent.
- 7 The expatriate lacks the proper motivation for a foreign assignment.<sup>83</sup>

Collectively, family and personal adjustment problems, not technical competence, provide the main stumbling block for people working in foreign countries.

This conclusion is reinforced by the results of a survey that asked 72 human resource managers, at multinational corporations, to identify the most important success factor in a foreign assignment. 'Nearly 35 per cent said cultural adaptability: patience,



flexibility and tolerance for others' beliefs. Only 22 per cent of them listed technical and management skills.<sup>84</sup> Consider what happened to Gabriëlle Rosenbaum.

*In the beginning, she was thrilled with the idea of her husband's foreign assignment for Philips. As for many Dutchmen and women, a foreign assignment was equal to exotic resorts, sunshine, swimming pools, parties and recreation. The good life was in store for her and her family. Until she, her husband and their three sons left for Pakistan, where they were confronted with the everyday life of another, Islamic, culture. Others' habits, norms and values lead to serious misunderstandings. How could she reprimand her children in a public place like a restaurant? Her three sons were a gift from God, weren't they? In their next assignment, the impoverished metropolis of Bombay, misunderstanding after misunderstanding again occurred. At home, in The Netherlands, she had treated people equally, regardless of their position. Why hadn't she realized how confusing such an attitude could be in India, where society is based on castes and contrasts? 'In Bombay in particular I realized how badly I had been prepared for this assignment. For my husband it was an enormous challenge to go abroad. He had his job to do, whereas I was left on my own, nobody had cared about how I would manage with the three children.'*<sup>85</sup>

### The Global Manager

On any given day in today's global economy, a manager can interact with colleagues from several different countries or cultures. For instance, at PolyGram, the British music company, the top 33 managers are from 15 different countries.<sup>86</sup> If they are to be effective, managers in such multicultural situations need to develop *global* skills (see Table 4–9). Developing skilled managers who move comfortably from culture to culture takes time. Consider, for example, this comment by the head of Gillette, who wants twice as many global managers on the payroll. 'We could try to hire the best and the brightest but it's the experience with Gillette that we need. About half our [expatriates] are now on their fourth country—that kind of experience. It takes 10 years to make the kind of Gillette manager I'm talking about.'<sup>87</sup>

Importantly, these global skills will help managers in culturally diverse countries do a more effective job on a day-to-day basis.

Skill	Description
Global perspective	Broaden focus from one or two countries to a global business perspective
Cultural responsiveness	Become familiar with many cultures
Appreciate cultural synergies	Learn the dynamics of multicultural situations
Cultural adaptability	Be able to live and work effectively in many different cultures
Cross-cultural communication	Engage in cross-cultural interaction every day, whether at home or in a foreign country
Cross-cultural collaboration	Work effectively in multicultural teams where everyone is equal
Acquire broad foreign experience	Move up the career ladder by going from one foreign country to another, instead of taking frequent home-country assignments

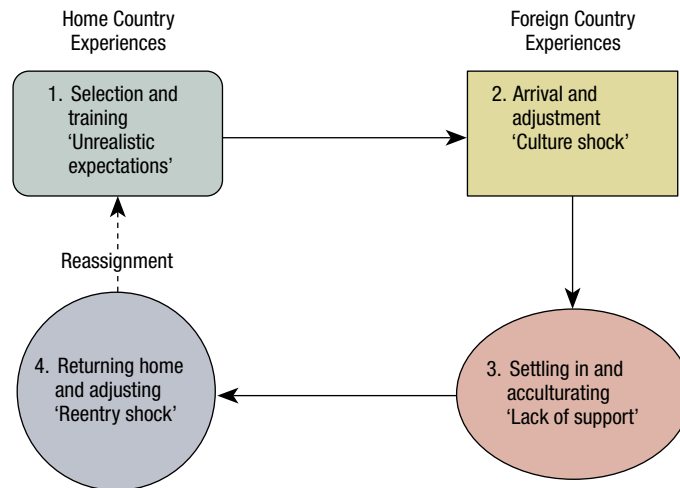
**Table 4–9**  
*Global Skills for Global Managers*

SOURCE: Adapted from N J Adler and S Bartholomew, 'Managing Globally Competent People', *Academy of Management Executive*, August 1992, Table 1, pp 52–65.

## Avoiding OB Trouble Spots in Foreign Assignments

Finding the right person (usually along with a supportive and adventurous family) for a foreign position is a complex, time-consuming and costly process.<sup>88</sup> For our purposes, it is sufficient to narrow the focus to common OB trouble spots in the foreign assignment cycle. As illustrated in Figure 4-4, the first and last stages of the cycle occur at home. The middle two stages occur in the foreign or host country. Each stage hides an OB-related trouble spot that needs to be anticipated and neutralized. Otherwise, the bill for another failed foreign assignment will grow.

**Figure 4-5**  
*The Foreign Assignment Cycle (with OB Trouble Spots)*



### Avoiding Unrealistic Expectations with Cross-Cultural Training

Realistic job previews (RJPs) have proven effective at bringing people's unrealistic expectations about a pending job assignment down to earth by providing a realistic balance of good and bad news. People with realistic expectations tend to quit less often and be more satisfied than those with unrealistic expectations. RJPs are a must for future expatriates. In addition, cross-cultural training is required.

#### Cross-cultural training

*structured experiences to help people adjust to a new culture or country*

**Cross-cultural training** is any type of structured experience designed to help departing employees adjust to a foreign culture. As documented in the case at the end of the chapter, the trend is toward more such training. Although costly, companies believe cross-cultural training is less expensive than failed foreign assignments. Programmes vary widely in type and in rigour.<sup>89</sup> Of course, the greater the difficulty, the greater the time and expense.

- ▼ **Easiest:** pre-departure training is limited to informational materials, including books, lectures, films, videos and internet searches.
- ▼ **Moderately difficult:** experiential training is conducted through case studies, role playing, assimilators (simulated intercultural incidents) and introductory language instruction.
- ▼ **Most difficult:** departing employees are given some combination of the preceding methods plus comprehensive language instruction and field experience in the target culture.<sup>90</sup>

As an example, when a Dutch manager was assigned to start up a new Philips plant in Skierniewice, Poland, he and his wife went through an intensive 'country information-programme'. Some managers who formerly worked in Poland, such as the head of Unilever's eastern Europe division, were invited. At first, the couple could ask them some simple practical questions, such as: 'What do I have to do with a drunk employee?'

Where can I find an interpreter? Why are the rents in Warschau that high? Is it safe to drink tap water?’ Then they were taught some basic aspects of behaviour in Poland, such as the dos and don’ts of conversations, meetings and so on and an introduction to the Polish language.<sup>91</sup>

## Avoiding Culture Shock

Have you ever been in a totally unfamiliar situation and felt disoriented and perhaps a bit frightened? If so, you already know something about culture shock. According to anthropologists, **culture shock** involves anxiety and doubt caused by an overload of unfamiliar expectations and social cues.<sup>92</sup> First year students often experience a variation of culture shock. An expatriate manager or family member may be thrown off-balance by an avalanche of strange sights, sounds and behaviours. Among them may be unreadable road signs, strange-tasting food, an inability to use your left hand for social activities (in Islamic countries, the left hand is the toilet hand) or failure to get a laugh with your sure-fire joke. For the expatriate manager trying to concentrate on the fine details of a business negotiation, culture shock is more than an embarrassing inconvenience. It is a disaster! Like the confused first-year student who quits and goes home, culture-shocked employees often panic and go home early.

Even people moving to a country where they speak the same language sometimes have trouble adapting, as this British woman working in Kentucky, USA, describes: ‘You never know when culture shock will bite. There you are, thinking you’ve got the measure of a country, you’re turning out of side roads onto the proper side of the main one, you’ve mastered the use of “y’all” and learned not to fear doggy bags and suddenly some tiny detail turns everything on its head, reminds you that you are, after all, a stranger in a foreign country.’<sup>93</sup>

The best defense against culture shock is comprehensive cross-cultural training, including intensive language study. Once again, the only way to pick up subtle—yet important—social cues is via the local language.

## Support During the Foreign Assignment

Especially during the first six months, when everything is so new to the expatriate, a support system needs to be in place.<sup>94</sup> Host-country sponsors, assigned to individual managers or families, are recommended. In a foreign country, where even the smallest errand can turn into an utterly exhausting production, sponsors can get things done quickly because they know the cultural and geographical territory.

*Dutch Royal Shell founded two organizations which are charged with providing practical information on the living conditions abroad: a network of Shell-families for Shell-families. There is Outpost, which tries to introduce new expats to existing expats in the same area. A Spouse Employment Consultant provides information on the working conditions, recognition of degrees, work permits, and so forth.*<sup>95</sup>

## Avoiding Re-entry Shock

Before reading on, consider the following case of Trevor Doust.

*Trevor Doust is not angry or resentful, just a bit bewildered. Last year he was the high-flying executive vice-president of a joint venture company set up in Japan by John Crane International, the world’s leading manufacturer of engineered sealing products. Today, at 50, he is back in the UK and unemployed. He didn’t do anything wrong. His only mistake was being out of touch on the other side of the world when his company decided to rationalize and make changes at the top. ‘If you are reasonably high up the tree,’ says Doust, ‘then even in a very large corporation there’s a very small group back at the ranch who can be of any use to you. If they change while you’re away the new guys don’t know you and if at the same time they retrench a bit, you have got a real problem.’*<sup>96</sup>

**Culture shock**  
anxiety and doubt  
caused by an  
overload of new  
expectations and cues

Strange as it may seem, many otherwise successful expatriate managers encounter their first major difficulty only *after* their foreign assignment is over. Why? Returning to one's native culture is taken for granted because it seems so routine and ordinary. But having adjusted to another country's way of doing things for an extended period of time can result in putting one's own culture and surroundings in a strange new light. Three areas for potential re-entry shock are work, social activities and general environment (such as politics, climate, transportation, food).

Work-related adjustments were found to be a major problem for samples of repatriated Finnish, Japanese and American employees.<sup>97</sup> Upon being repatriated, a 12-year veteran of one US company said, 'Our organizational culture was turned upside down. We now have a different strategic focus, different 'tools' to get the job done and different buzzwords to make it happen. I had to learn a whole new corporate "language".<sup>98</sup> Re-entry shock can be reduced through employee career counselling and home-country sponsors. Simply being aware of the problem of re-entry shock is a big step toward effectively dealing with it.<sup>99</sup>

Overall, the key to a successful foreign assignment is making it a well-integrated link in a career chain rather than treating it as an isolated adventure.

## Summary of Key Concepts

### 1 Explain how societal culture and organizational culture combine to influence on-the-job behaviour.

Culture involves the taken-for-granted assumptions that collections of people have about how they should think, act and feel. Key aspects of societal culture, such as customs and language, are brought to work by the individual. Working together, societal and organizational culture influence the person's values, ethics, attitudes and expectations.

### 2 Define ethnocentrism and distinguish between high-context and low-context cultures.

Ethnocentrism is the belief that one's native culture, language and ways of doing things are superior to all others. People from low-context cultures infer relatively less from situational cues and extract more meaning from spoken and written words. In high-context cultures, such as China and Japan, managers prefer slow negotiations and trust-building meetings, which tends to frustrate low-context northern Europeans and North Americans who prefer to get straight down to business.

### 3 Draw a distinction between individualistic cultures and collectivist cultures.

People in individualistic cultures think primarily in terms of 'I' and 'me' and place a high value on freedom and personal choice. Collectivist cultures teach people to be 'we' and 'us' oriented and to subordinate personal wishes and goals to the interests of the relevant social unit (such as family, group, organization or society).

### 4 Explain the difference between monochronic and polychronic cultures.

People in monochronic cultures are schedule-driven and prefer to do one thing at a time. To them, time is like money; it is spent wisely or wasted. In polychronic cultures, there is a tendency to do many things at once and to perceive time as flexible and multidimensional. Polychronic people view monochronic people as being too preoccupied with time.

### 5 Discuss the cultural implications of interpersonal space, language and religion.

Anthropologist Edward Hall coined the term *proxemics* to refer to the study of cultural expectations about interpersonal space. Asians and Latin Americans like to stand close (six inches to a foot) during business conversations, while North Americans and northern Europeans prefer a larger interpersonal distance (three to four feet). Conflicting expectations about proper interpersonal distance can create awkward cross-cultural situations. Research uncovered a high degree of agreement about semantic elements across eight cultures. Another study found no agreement about the primary work value across five different religious preference groups.

### 6 Describe the practical lessons from the Hofstede–Bond cross-cultural studies.

According to the Hofstede–Bond cross-cultural management studies, caution needs to be exercised

when transplanting management theories and practices from one culture to another. Also, long-term orientation was the only one of five cultural dimensions in the Hofstede–Bond studies to correlate positively with national economic growth.

### 7 Explain what cross-cultural studies have found about leadership styles.

One cross-cultural management study suggests the need to vary leadership styles from one culture to another. The participative style turned out to be the only leadership style applicable to all 18 countries studied. Still, the participative style has its limitations and is not universally effective.

### 8 Specify why expatriates have a high failure rate in foreign assignments and identify the skills needed by today's global managers.

Many expatriates are troubled by family and personal adjustment problems. Experts say global managers need the following skills: a global perspective, cultural responsiveness, appreciation of cultural synergies, cultural adaptability, cross-cultural communication, cross-cultural collaboration and broad foreign experience.

### 9 Discuss the importance of cross-cultural training relative to the foreign assignment cycle.

The foreign assignment cycle has four stages: selection and training, arrival and adjustment, settling in and acculturating and returning home and adjusting. Cross-cultural training, preferably combining informational and experiential sessions before departure, can help expatriates avoid two OB trouble spots: unrealistic expectations and culture shock. There are no adequate substitutes for knowing the local language and culture.

## Discussion Questions

- 1 Regarding your cultural awareness, how would you describe the prevailing culture in your country to a stranger from another land?
- 2 What are your personal experiences with ethnocentrism and cross-cultural dealings? What lessons have you learned?
- 3 Why are people from high-context cultures such as China and Japan likely to be misunderstood by low-context Westerners?
- 4 Culturally speaking, are you individualistic or collectivist? How does that cultural orientation affect how you run your personal and/or business affairs?
- 5 Based on your score on the Polychronic Attitude Index, are you relatively monochronic or polychronic? What difficulties do you encounter because of this cultural tendency?
- 6 In your view, what is the most important lesson for global managers from the Hofstede–Bond studies? Explain.
- 7 Based on your personal experience with one or more of the countries listed in Table 4–8, do you agree or disagree with the leadership profiles? Explain.



- 8 What needs to be done to improve the success rate of US managers in foreign assignments?
- 9 Which of the global manager skills in Table 4–9 do you need to develop? Explain.

- 10 What is your personal experience with culture shock? Which of the OB trouble spots in Figure 4–4 do you believe is the greatest threat to expatriate employee success? Explain.

## Internet Exercise

Thanks to the power of the Internet, you can take a trip to a far-flung corner of the world without ever leaving your chair. The purpose of this exercise is to enhance your cross-cultural awareness by using the Internet to learn about a foreign country of your choice. Our primary resource is the Internet site [www.lonelyplanet.com](http://www.lonelyplanet.com) based on the popular, highly readable and somewhat off-beat Lonely Planet travel guides, available in bookstores. (This is our favourite but if you prefer another online travel guide, use it and tell others.) At the Lonely Planet Online home page, select *Worldguide* from the main menu. Use the geographic menus on this page to select a foreign country where your native language is not the primary language. Explore the map of your selected country and then read the material in the 'Facts at a Glance' and 'Culture' sections. If you have the time and interest, read some of the other relevant sections such as 'History,' 'Economy,' and 'Facts for the Traveller.'

A second important stop on your Internet trip is [www.travlang.com](http://www.travlang.com) to start building your language skills for your selected country. At the home page, select *travlang's*

[www.lonelyplanet.com](http://www.lonelyplanet.com)

*foreign language for travellers*. Then follow steps 1 and 2. Next, select *Basic Words* from the language page you picked in step 2. Practice essential words such as 'hello, yes, no, and thank you', and any others you deem necessary. Take the language quiz if you have time.

### Questions

- 1 How strong is your interest in taking a foreign assignment in your selected country? Explain.
- 2 Culturally, does your focus country seem to be high-context or low-context, individualistic or collectivist and monochronic or polychronic? Cite specific clues from your Internet research.
- 3 How do you say 'hello' and 'thank you' in the primary language of your chosen country? (Perhaps you have a fellow student who can help you with your pronunciation.)
- 4 What is the likelihood of experiencing 'culture shock' in your selected country? How could you avoid or minimize it?

## Personal Awareness and Growth Exercise

### How Do Your Work Goals Compare Internationally?

#### Objectives

- 1 To increase your cross-cultural awareness.
- 2 To see how your own work goals compare internationally.

#### Introduction

In today's multicultural global economy, it is a mistake to assume everyone wants the same things from the job as you do. This exercise provides a 'window' on the world of work goals.

#### Instructions

Below is a list of 11 goals potentially attainable in the workplace. In terms of your own personal preferences, rank the goals from 1 to 11 (1 = most important; 11 = least important). After you have ranked all 11 work goals, compare your list with the national samples under the heading *Survey Results* below. These national samples represent cross sections of employees from all levels and all major occupational groups. (Please complete your ranking now, before looking at the national samples.)

How important are the following in your work life?

Rank	Work Goals
_____	A lot of opportunity to learn new things
_____	Good interpersonal relations (supervisors, co-workers)
_____	Good opportunity for upgrading or promotion
_____	Convenient work hours
_____	A lot of variety
_____	Interesting work (work that you really like)
_____	Good job security
_____	A good match between your job requirements and your abilities and experience
_____	Good pay
_____	Good physical working conditions (such as light, temperature, cleanliness, low noise level)
_____	A lot of autonomy (you decide how to do your work).**

**Questions for Discussion**

- 1 Which national profile of work goals most closely matches your own? Is this what you expected or not?
- 2 Are you surprised by any of the rankings in the four national samples? Explain.
- 3 What sorts of motivational/leadership adjustments would a manager have to make when moving among the four countries?

Survey Results\*\*; Ranking of Work Goals by Country (1 = most important; 11 = least important)

Work Goals	United States	Britain	Germany*	Japan
Interesting work	1	1	3	2
Pay	2	2	1	5
Job security	3	3	2	4
Match between person and job	4	6	5	1
Opportunity to learn	5	8	9	7
Variety	6	7	6**	9
Interpersonal relations	7	4	4	6
Autonomy	8	10	8	3
Convenient work hours	9	5	6**	8
Opportunity for promotion	10	11	10	11
Working conditions	11	9	11	10

\*Former West Germany.

\*\* Tie

**Group Exercise**

**Looking into a Cultural Mirror**

**Objectives**

- 1 To generate group discussion about the impact of societal culture on managerial style.
- 2 To increase your cultural awareness.
- 3 To discuss the idea of a distinct style of management in your chosen country.
- 4 To explore the pros and cons of the style of management in your chosen country.

**Introduction**

A time-tested creativity technique involves ‘taking something familiar and making it strange’. This technique can yield useful insights by forcing us to take a close look at things we tend to take for granted. In the case of this group exercise, the focus of your attention will be mainstream cultural tendencies in your country (or any other country you or your instructor may select) and management. A 15-minute, small-group session will be followed by brief oral presentations and a general class discussion. Total time required is about 35 to 45 minutes.

**Instructions**

Your instructor will divide your class randomly into small groups of five to eight. Half the teams will be designated ‘red’ and the other half ‘green’. Each team will assign someone the role of recorder-cum-presenter, examine the cultural traits listed below and develop a cultural profile of ‘that particular country’s management style’. Members of each red team will explain the positive implications of each trait in their cultural profile. Green team members will explain the negative implications of the traits in their profiles.

During the brief oral presentations by the various teams, the instructor may jot down on the board or flip chart a

composite cultural profile of the managers of that country. A general class discussion of positive and negative implications will follow. Note: special effort should be made to solicit comments and observations from foreign students and students who have travelled or worked in other countries. Discussion needs to focus on the appropriateness or inappropriateness of the country’s cultural style of management in other countries and cultures.

As ‘seed’ for group discussion, here is a list of cultural traits identified by researchers;\*\* (feel free to supplement this short list, e.g. by the traits discussed in this chapter:

- Individualistic
- Independent
- Aggressive/assertive/blunt
- Competitive
- Informal
- Pragmatic/practical
- Impatient
- Materialistic
- Unemotional/rational/objective
- Hard working.

**Questions for Discussion**

- 1 Are you surprised by anything you have just heard? Explain.
- 2 Is there a distinct management style? Explain.
- 3 Can the management style be exported easily? If it needs to be modified, how?
- 4 What do managers need to do to be more effective at home and in foreign countries?