

MALLA REDDY COLLEGE
OF ENGINEERING & TECHNOLOGY
(Autonomous Institution - UGC, Govt. of India)

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DEPARTMENT
OF BUSINESS
MANAGEMENT

DIGITAL NOTES

CROSS CULTURE MANAGEMENT

R17MBA07

MBA I Year I Semester
AY: 2017-18

MALLA REDDY COLLEGE OF ENGINEERING & TECHNOLOGY
(Autonomous Institution-UGC, Govt. of India)

MBA I YEAR I SEM

R17MBA07 CROSS CULTURE MANAGEMENT

Course Aim:

- The objective of the course is to help students to construct their own coherent, individual perspective of the substance and increase their cultural awareness.
- It focuses on interpersonal approaches between people of different cultures in work settings as opposed to a country specific approach.

Learning Outcomes:

- The students are able to understand the significance of cross-cultural management, and of the major theoretical and empirical studies which examine the impact of different national cultures on work and employment.
- To know the international management practices and how organizational and national culture impacts upon them: work, motivation, performance appraisal, leadership, cross-cultural communication and decision-making, negotiation and trust, conflict and dispute resolution and corporate social responsibility.

Unit-I: Introduction

Determinants of Culture – Facets of culture – Levels of Culture – National Cultural dimensions in the business context – The influence of National Culture on business culture. Business Cultures: East and West.

Unit-II: Cultural Dimensions and Dilemmas

Value orientations and Dimensions – Reconciling cultural dilemmas – Culture and Styles of Management: Management tasks and cultural values.

Unit-III: Culture and Organizations

Culture and corporate structures – Culture and Leadership – Culture and Strategy – Cultural change in Organizations- Culture and marketing – Cultural Diversity.

Unit-IV: Culture and Communications

Business communication across cultures – Barriers to intercultural communication – Negotiating Internationally.

Unit-V: Cross Cultural Team Management

Working with International teams – Groups processes during international encounters – Conflicts and cultural difference – Understanding and dealing with conflicts – Developing Intercultural relationships.

REFERENCES:

- Marie-joelle Browaeys and Roger Price: Understanding CCM, Pearson.
 - David C.Thomas: Cross Cultural Management, 2/e, Sage Publications.
 - Nigel Holdon, CCM: Knowledge Management Perspective, Pentice Hall.
 - Parissa Haghirian: Multinational and Cross Cultural Management, Routledge.
 - Richard Mead: International Management-Cross cultural Dimension, 3/e, Blackwell.
- Jerome Dumetz -Cross-cultural management REFERENCES: Lessons from the world leading experts in cross-cultural management, Create Space Independent Publishing Platform; Student edition (September 5, 2012), Oakland, USA.

UNIT I

THE MEANINGS AND DIMENSIONS OF CULTURE

Objectives

1. **DEFINE** the term culture, and discuss some of the comparative ways of differentiating cultures.
2. **DESCRIBE** the concept of cultural values, and relate some of the international differences, similarities, and changes occurring in terms of both work and managerial values.
3. **IDENTIFY** the major dimensions of culture relevant to work settings, and discuss their effects on behavior in an international environment.
4. **DISCUSS** the value of country cluster analysis and relational orientations in developing effective international management practices.

THE NATURE OF CULTURE

Culture defined: Acquired knowledge that people use to interpret experience and generate social behavior. This knowledge forms values, creates attitudes, and influences behavior.

CHARACTERISTICS OF CULTURE

- Learned
- Shared
- Trans-generational
- Symbolic
- Patterned
- Adaptive

Priorities of Cultural Values

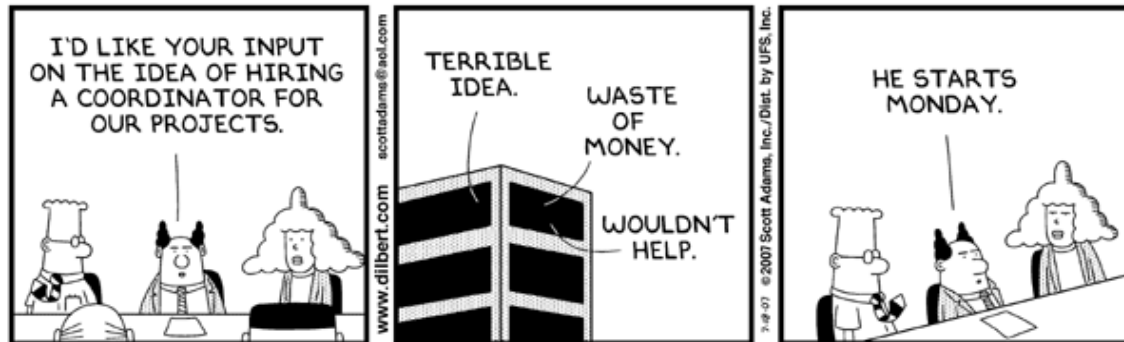
Table 4-1 Priorities of Cultural Values: United States, Japan, and Arab Countries		
United States	Japan	Arab Countries
1. Freedom	1. Belonging	1. Family security
2. Independence	2. Group harmony	2. Family harmony
3. Self-reliance	3. Collectiveness	3. Parental guidance
4. Equality	4. Age/seniority	4. Age
5. Individualism	5. Group consensus	5. Authority
6. Competition	6. Cooperation	6. Compromise
7. Efficiency	7. Quality	7. Devotion
8. Time	8. Patience	8. Patience
9. Directness	9. Indirectness	9. Indirectness
10. Openness	10. Go-between	10. Hospitality
<i>Note:</i> "1" represents the most important cultural value, "10" the least. <i>Source:</i> Adapted from information found in F. Elashmawi and Philip R. Harris, <i>Multi-cultural Management</i> (Houston: Gulf Publishing, 1993), p. 63.		

How Culture Affects Managerial Approaches

- **Centralized vs. Decentralized Decision Making:**

- In some societies, top managers make all important organizational decisions.
- In others, these decisions are diffused throughout the enterprise, and middle- and lower-level managers actively participate in, and make, key decisions.

Graphical Example



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- **Safety vs. Risk:**

- In some societies, organizational decision makers are risk averse and have great difficulty with conditions of uncertainty.
- In others, risk taking is encouraged, and decision making under uncertainty is common.

- **Individual vs. Group Rewards:**

- In some countries, personnel who do outstanding work are given individual rewards in the form of bonuses and commissions.
- In others, cultural norms require group rewards, and individual rewards are frowned upon.

- **Informal Procedures vs. Formal Procedures:**

- In some societies, much is accomplished through informal means.
- In others, formal procedures are set forth and followed rigidly.

- **High Organizational Loyalty vs. Low Organizational Loyalty**

- In some societies, people identify very strongly with their organization or employer.
- In others, people identify with their occupational group, such as engineer or mechanic.

- **Cooperation vs. Competition**

- Some societies encourage cooperation between their people.
- Others encourage competition between their people

- **Short-term vs. Long-term Horizons**

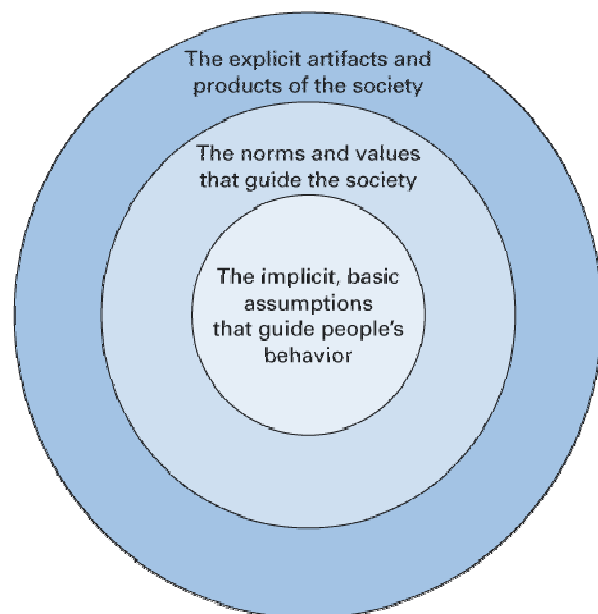
- Some culture focus most heavily on short-term horizons, such as short-range goals of profit and efficiency.
- Others are more interested in long-range goals, such as market share and technologic developments

- **Stability vs. Innovation**

- The culture of some countries encourages stability and resistance to change.
- The culture of others puts high value on innovation and change.

Figure 4-1

A Model of Culture



Business Customs in South Africa

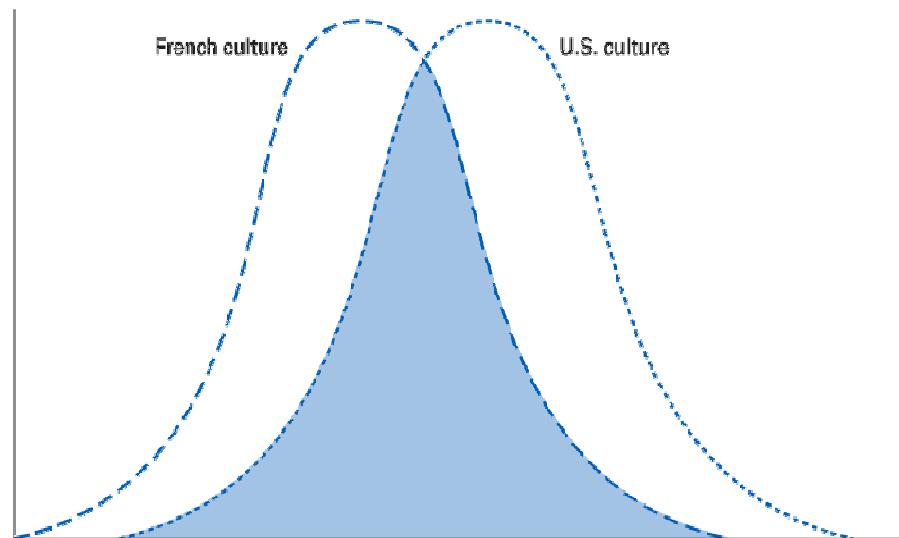
- Arrange meeting before discussing business over phone.
- Make appointments as far in advance as possible.
- Maintain eye contact, shake hands, provide business card
- Maintain a win-win situation
- Keep presentations short

Values in Culture

- Values
 - Learned from culture in which individual is reared
 - Differences in cultural values may result in varying management practices
 - Basic convictions that people have about
 - Right and wrong
 - Good and bad
 - Important and unimportant

GRAPHICAL PRESENTATION OF COMPARING CULTURES

Figure 4-2
Comparing Cultures
as Overlapping Normal
Distributions



Source: Adapted from Fons Trompenaars and Charles Hampden-Turner, *Riding the Waves of Culture: Understanding Diversity in Global Business*, 2nd ed. (New York: McGraw-Hill, 1998), p. 25.

US CULTURAL VALUES

Table 4-2
U.S. Values and Possible Alternatives

U.S. Cultural Values	Alternative Values	Examples of Management Function Affected
Individuals can influence the future (where there is a will there is a way).	Life follows a preordained course, and human action is determined by the will of God.	Planning and scheduling.
Individuals should be realistic in their aspirations.	Ideals are to be pursued regardless of what is "reasonable."	Goal setting and career development.
We must work hard to accomplish our objectives (Puritan ethic).	Hard work is not the only prerequisite for success. Wisdom, luck, and time are also required.	Motivation and reward system.
A primary obligation of an employee is to the organization.	Individual employees have a primary obligation to their family and friends.	Loyalty, commitment, and motivation.
Employees can be removed if they do not perform well.	The removal of an employee from a position involves a great loss of prestige and will rarely be done.	Promotion.
Company information should be available to anyone who needs it within the organization.	Withholding information to gain or maintain power is acceptable.	Organization, communication, and managerial style.
Competition stimulates high performance.	Competition leads to imbalances and disharmony.	Career development and marketing.
What works is important.	Symbols and the process are more important than the end point.	Communication, planning, and quality control.

Source: Adapted from information found in Philip R. Harris and Robert T. Moran, *Managing Cultural Differences* (Houston: Gulf Publishing, 1991), pp. 79–80.

Value Similarities and Differences across Cultures

1. Strong relationship between level of managerial success and personal values
2. Value patterns predict managerial success and can be used in selection/placement decisions
3. Country differences in relationship between values and success; however, findings across U.S., Japan, Australia, India are similar
4. Values of more successful managers favor pragmatic, dynamic, achievement-oriented and active role in interaction with others
5. Values of less successful managers tend toward static and passive values; relatively passive roles in interacting with others

HOFSTEDE'S CULTURAL DIMENSIONS

1. **Power distance**
2. **Uncertainty avoidance**
3. **Individualism/collectivism**
4. **Masculinity/femininity**

1. Power distance: Less powerful members accept that power is distributed unequally

1. **High power distance countries:** people blindly obey superiors; centralized, tall structures (e.g., Mexico, South Korea, India)
2. **Low power distance countries:** flatter, decentralized structures, smaller ratio of supervisor to employee (e.g., Austria, Finland, Ireland)

2. Uncertainty avoidance: people feel threatened by ambiguous situations; create beliefs/institutions to avoid such situations

1. **High uncertainty avoidance countries:** high need for security, strong belief in experts and their knowledge; structure organizational activities, more written rules, less managerial risk taking (e.g., Germany, Japan, Spain)
2. **Low uncertainty avoidance countries:** people more willing to accept risks of the unknown, less structured organizational activities, fewer written rules, more managerial risk taking, higher employee turnover, more ambitious employees (e.g., Denmark and Great Britain)

3. Individualism: People look after selves and immediate family only

1. **High individualism countries:** wealthier, protestant work ethic, greater individual initiative, promotions based on market value (e.g., U.S., Canada, Sweden)
2. **High collectivism countries:** poorer, less support of Protestant work ethic, less individual initiative, promotions based on seniority (e.g., Indonesia, Pakistan)

4. Masculinity: Dominant social values are success, money, and things

1. **High masculine countries:** stress earnings, recognition, advancement, challenge, wealth; high job stress (e.g., Germanic countries)
2. **High feminine countries:** emphasize caring for others and quality of life; cooperation, friendly atmosphere, employment security, group decision making; low job stress (e.g., Norway)

Universalism vs. Particularism

3. **Universalism:** ideas/practices can be applied everywhere
4. **High universalism countries:** formal rules, close adhere to business contracts (e.g., Canada, U.S., Netherlands, Hong Kong)
5. **Particularism:** circumstances dictate how ideas/practices apply; high particularism countries often modify contracts (e.g., China, South Korea)

Individualism vs. Communitarianism

6. **Individualism:** people as individuals
7. **Countries with high individualism:** stress personal and individual matters; assume great personal responsibility (e.g., Canada, Thailand, U.S., Japan)
8. **Communitarianism:** people regard selves as part of group

Value group-related issues; committee decisions; joint responsibility (e.g., Malaysia, Korea)

TROMPENAARS' CULTURAL DIMENSIONS

- **Neutral vs. Emotional**
- **Neutral:** culture in which emotions not shown
 - High neutral countries, people act stoically and maintain composure (e.g., Japan and U.K.)
- **Emotional:** Emotions are expressed openly and naturally
 - High emotion cultures: people smile a lot, talk loudly, greet each other with enthusiasm (e.g., Mexico, Netherlands, Switzerland)
- **Specific vs. Diffuse**
 - **Specific:** large public space shared with others and small private space guarded closely
 - High specific cultures: people open, extroverted; strong separation work and personal life (e.g., Austria, U.K., U.S.)

- **Diffuse:** public and private spaces similar size, public space guarded because shared with private space; people indirect and introverted, work/private life closely linked (e.g., Venezuela, China, Spain)
- **Achievement vs. Ascription**
 - **Achievement** culture: status based on how well perform functions (Austria, Switzerland, U.S.)
 - **Ascription** culture: status based on who or what person is (e.g., Venezuela, China, Indonesia)
- **Time**
 - **Sequential:** only one activity at a time; appointments kept strictly, follow plans as laid out (U.S.)
 - **Synchronous:** multi-task, appointments are approximate, schedules subordinate to relationships (e.g., France, Mexico)
 - **Present vs. Future:**
 - **Future** more important (Italy, U.S., Germany)
 - **Present** more important (Venezuela, Indonesia)
 - All 3 time periods equally important (France, Belgium)
- **The Environment**
 - **Inner-directed:** people believe in control of outcomes (U.S., Switzerland, Greece, Japan)
 - **Outer-directed:** people believe in letting things take own course (China, many other Asian countries)

Integrating Culture and Management: The GLOBE Project

- **GLOBE:** Global Leadership and Organizational Behavior Effectiveness.
- Project extends and integrates previous analyses of cultural attributes and variables.
- Evaluates nine different cultural attributes using middle managers from 951 organizations in 62 countries.

- Multi-cultural team of 170 scholars from around the world worked together to survey 17,000 managers in 3 industries: financial services, food processing, and telecommunications.
- Covered every major geographic region of the world.

THE GLOBE PROJECT

The 9 Dimensions of the GLOBE Project:

- Uncertainty avoidance
- Power distance
- Collectivism I: Social collectivism
- Collectivism II: In-group collectivism
- Gender egalitarianism
- Assertiveness
- Future orientation
- Performance orientation
- Humane orientation

GLOBE Results

- Corresponds generally with those of Hofstede and Trompenaars.
- Different from Hofstede in that many more researchers with varied perspectives were involved (vs. Hofstede working alone); studied many companies vs. Hofstede's IBM.
- GLOBE provides a current comprehensive overview of general stereotypes that can be further analyzed for greater insight.

Table 4-6
GLOBE Cultural Variable Results

Variable	Highest Ranking	Medium Ranking	Lowest Ranking
Assertiveness	Spain, U.S.	Egypt, Ireland	Sweden, New Zealand
Future orientation	Denmark, Canada	Slovenia, Egypt	Russia, Argentina
Gender differentiation	South Korea, Egypt	Italy, Brazil	Sweden, Denmark
Uncertainty avoidance	Austria, Denmark	Israel, U.S.	Russia, Hungary
Power distance	Russia, Spain	England, France	Denmark, Netherlands
Collectivism/societal	Denmark, Singapore	Hong Kong, U.S.	Greece, Hungary
In-group collectivism	Egypt, China	England, France	Denmark, Netherlands
Performance orientation	U.S., Taiwan	Sweden, Israel	Russia, Argentina
Humane orientation	Indonesia, Egypt	Hong Kong, Sweden	Germany, Spain

Take time to setup the negotiation process

NEGOTIATING ACROSS CULTURES

- International negotiations are always a delicate business - requiring skill, tact, and diplomacy.
- Source: <http://arunkottolli.blogspot.com/2007/01/how-to-avoid-pitfalls-in-cross.html>
- This step is very important when you are negotiating with a new partner.
- People in other cultures have a standardized ritual process for all negotiations - particularly in the initial phase.
- Indians - tend to focus more on confidence building during the initial phase.
- Chinese – Tend to establish a relationship before they start the serious negotiations.
- Americans - would go over the main objectives in few minutes and then start off with the main negotiations.
- This approach is however not appreciated by other cultures.

Understand Expectations

- In any negotiations parties involved will have different expectations - both sides would like to win but they will have different perceptions of victory.
- In cross-cultural negotiations it is difficult to guess other side's expectations.
- It may make sense to talk about the expectations of both sides at the beginning of the negotiations - but fall short of disclosing their BATNA.
- Take time & effort to understand the other side's expectations.

- Indian, Arab, Chinese and Japanese negotiators do not really like contentious style of negotiations
- It is often perceived as "I win - you lose" style negotiations.
- Asian cultures prefer a more harmonious "problem solving" approach

Explain the decision making process

- It is important to know who the decision makers are, and how decision will be made - and on what criteria.
- Take the initiative to explain the decision making process openly to the other party and encourage them to do the same.

Manage the negotiation

- At times negotiations come to a halt when one of the parties get distracted by other business needs.
- In all such cases, the best solution is to manage the progress of the negotiation in a methodical manner.
- Ideally it will be best when one person from both sides take up the role of project manager for the negotiation process and manage it like a project.
- This will prevent the negotiation from getting off course or getting stalled for a prolonged period.

UNIT II

SOCIAL VALUE ORIENTATION (SVO) is a person's preference about how to allocate resources (e.g. money) between the self and another person. SVO corresponds to how much weight a person attaches to the welfare of others in relation to the own. Since people are assumed to vary in the weight they attach to other peoples' outcomes in relation to their own, SVO is an individual difference variable. The general concept underlying SVO has become widely studied in a variety of different scientific disciplines, such as economics, sociology, and biology under a multitude of different names (e.g. *social preferences*, *other-regarding preferences*, *welfare tradeoff ratios*, *social motives*, etc.). When people seek to maximize their gains, they are said to be proself. But when people are also concerned with other's gains and losses, they are said to be prosocial. There are four categories within SVO. Individualistic and competitive SVOs are proself while cooperative and altruistic SVOs are prosocially:

Individualistic orientation: Members of this category are concerned only with their own outcomes. They make decisions based on what they think they will personally achieve, without concern for others outcomes. They are focused only on their own outcomes and therefore do not get involved with other group members. they neither assist nor interfere. However their actions may indirectly impact other members of the group but such impact is not their goal.

Competitive orientation: Competitors much like individualists strive to maximize their own outcomes, but in addition they seek to minimize others outcomes. disagreements and arguments are viewed as win-lose situations and competitors find satisfaction in forcing their ideas upon others. A competitor has the belief that each person should get the most they can in each situation and play to win every time. Those with competitive SVOs are more likely to find themselves in conflicts. Competitors cause cooperators to react with criticism to their abrasive styles. However, competitors rarely modify their behavior in response to these complaints because they are relatively unconcerned with maintaining interpersonal relations.

Cooperative orientation: Cooperators tend to maximize their own outcomes as well as other's outcomes. They prefer strategies that generate win-win situations. When dealing with other people they believe that it is better if everyone comes out even in a situation.

Altruistic orientation: altruists are motivated to help other who are in need. Members of this category are low in self-interest. They willingly sacrifice their own outcomes in the hopes of helping others achieve gain.

KLUCKHOHN AND STRODTBECK'S (1961) VALUES ORIENTATION THEORY

Kluckhohn and Strodtbeck's (1961) Values Orientation Theory proposes that all human societies must answer a limited number of universal problems, that the value-based solutions are limited in number and universally known, but that different cultures have different preferences among them.

Suggested questions include humans' relations with time, nature and each other, as well as basic human motives and the nature of human nature. Kluckhohn and Strodtbeck suggested alternate answers to all five, developed culture-specific measures of each, and described the value orientation profiles of five SW USA cultural groups. Their theory has since been tested in many other cultures, and used to help negotiating ethnic groups understand one another, and to examine the inter-generational value changes caused by migration. Other theories of universal values (Rokeach, Hofstede, Schwartz) have produced value concepts sufficiently similar to suggest that a truly universal set of human values does exist and that cross-cultural psychologists are close to discovering what they are.

Kluckhohn and Strodtbeck (1961) identified six dimensions of culture:

The nature of people

What do people assume about the basic nature and beliefs about other people?

In particular, others may be considered to be good, bad or have some combination.

'Good' here is in the traditional sense of being socially oriented. A bad person is thus considered selfish.

How you think about other people in this way will have significant effect on how you respond to them. It also affects how you think about yourself.

The relationship with nature

What do people think about nature and their responsibilities and rights around it?

Some people believe that we should live in harmony with nature, preserving and supporting it. Others (and perhaps a majority now) see nature as our servant and supplier. This view allows us to plunder it without concern.

In other parts of life this translates into the use of all kinds of resource and whether it is used up or sustained.

Duty towards others

What duty do we have towards others? Should we be act first to support others or can we just focus only on ourselves?

Considering the group first supports society, but it also is limiting on the freedom of the individual. It also raises the question about who chooses what is right for the group.

Mode of activity

What is the primary mode of activity in an organization or society?

In some societies, there is a focus on 'being', where who you are is more important than what you do. Other societies are very action oriented and status comes from what has been achieved rather than an ascribed status.

Privacy of space

How is space treated in a society? Who owns it? What rights do people have to occupy it?

One approach is that space is owned by individuals and privacy is important. Meetings are held behind closed doors and are by invitation only. The alternative is open ownership, where people can go where they please and meetings are open to all who want to attend.

Temporal orientation

Which is more important: past, present or future?

Some societies focus on the past, ancestors and traditionalism. Others are focused on the hedonism of today, whilst still others plan carefully for the future.

So what?

As with other cultural models, understand where people are coming from and then respond in alignment with their view of the world. The theme of self vs. others runs through several of these dimensions. If a person is concerned first with themselves, they may avoid duty to others and hoard resource.

TROMPENAARS CULTURAL DIMENSIONS

Organizations all over the world work are dealing with a wide variety of cultures. According to Fons Trompenaars, cultural differences will create a better understanding of reality. For an insight into the biggest differences and how organizations are affected by these differences, Fons Trompenaars and **Charles Hampden Turner** developed a **cultural model**, that distinguishes seven cultural dimensions. The name of this management and communication model is the Trompenaars Cultural Dimensions.

These are the seven cultural dimensions:

1. Universalism versus Particularism
2. Individualism versus Communitarianism
3. Neutral versus Emotional
4. Specific versus Diffuse
5. Achievement versus Ascription
6. Sequential versus Synchronous time
7. Internal direction versus External direction

1. Universalism versus Particularism

In universalist culture ideas can be applied anywhere and there is always a definition that can be used to determine the distinction between right and wrong. Standards and values are important and can only be departed from after consultation. It is generally accepted that in similar situations people from different origins receive the same salary. In a particularistic culture, members believe that it the circumstances that determine how ideas can be applied in practice. Personal relationships and obligations play an important role when making ethical decisions. Status is important in this as a result of which for example salary is linked to reputation and origin.

2. Individualism versus Communitarianism

Individualism sees human beings as individuals, whereas communitarianism characterizes humanity as being part of a group. Fons Trompenaars says that the individualist culture is linked to the ideas of the western world, whereas the communitarian culture is linked to non-western countries. Cultures change continuously and sometimes they change more quickly than people realize. As an example, Fons Trompenaars mentions Mexico, which was predominantly communitarian at first. Influenced by the global economy, Mexico is now moving towards a more individualistic culture.

3. Neutral versus emotional

In a neutral emotions are controlled, whereas in an emotional culture emotions are expressed openly and spontaneously. Well-known examples of neutral cultures are Japan and Great Britain, where they frown upon being angry in public, laughing loudly or displaying any other emotional outbursts. In an emotional culture, however, this behaviour is allowed. Fons Trompenaars mentions countries such as the Spain and Mexico where people often laugh, talk loudly and greet each other enthusiastically. When people from a neutral culture do business with people from an emotional culture, they could be deterred by the other person's behaviour. A good preparation and taking someone's culture into consideration will prevent awkward situations.

4. Specific versus diffuse

In a specific culture, individuals have a large public space, which they share easily with other people. They also have a small private space which they share with good friends and close associates. People often approach each other informally in both the public and private space. In a diffuse culture the public space and the private space tend to be interwoven. People in a diffuse culture will therefore protect their private space because this will provide easy access to the public space. People from a diffuse culture attach great value to formality.

5. Achievement versus ascription

This concerns achieved status (achievement) versus ascribed (ascription) status. In an achievement-oriented culture, a person's worth is determined on the basis of their performances and how well they perform their tasks. In a culture in which status is ascribed, status is based on who the person in question is. Their position is derived from for example origin, gender, age, career or a person's career or position. When someone from an achievement-oriented culture does business with people from an ascription-oriented culture, it is advisable to deploy older, more experienced people who are familiar with formal customs and manners and who respect established titles. In the contrary situation, it is important that people from an ascription-oriented culture make use of well-informed people who know exactly what the knowledge and skills are of people from an achievement-oriented culture. Fons Trompenaars says that there is often a mix, whereby culture determines on which elements from the Achievement or Ascription cultures the emphasis is put.

6. Sequential versus synchronous time

Time can be measured and understood in different ways. We measure past, present and future using years, months, weeks, days and hours. This concrete measurement of time falls within sequential time. "Time is money" is a typical expression that forms part of this culture, just like the eternal race against clock. Synchronous time is more abstract and focuses on being able to work on various projects at once. It does not concern itself with time zones, but is aware that the human body has its own rhythm. In a synchronous time it is about the rhythm of the group and that of nature. There is, however, a risk to doing several things at the same time. It could result in work not being actually completed.

7. Internal direction versus outer direction

In internal-directed versus outer-directed cultures the focus is on how people experience their environment. Is the environment a threat (external) or is it sensible to move with the factors that are caused by society (internal)? The way in which people experience their environment differs from culture to culture. People in western cultures are mainly outer-directed and they want to control their environment as much as possible. In many non-western cultures it is more about living in harmony with the environment; there are forces that cannot be controlled or influenced and therefore you have to adapt yourself to these external circumstances.

Trompenaars Cultural Dimensions: Cohesion

By studying the seven dimensions of culture, there will be more respect and empathy for other cultures, their customs and habits and their rituals. This will make it easier to do business with each other and it will lead to better agreements that ensure continuity of cooperation.

RECONCILING CULTURAL DILEMMAS

To minimise conflict between cultures, you must first analyse - measure even - the differences between them. That is the starting point for the third 1996 Stockton Lecture, reproduced here. The author identifies seven dimensions by which cultures can be distinguished from each other which he defines as: Universalism versus Particularism; Collectivism versus Individualism; Affective versus Neutral relationships; Specificity versus Diffuseness; Achievement versus Ascription; Orientation towards Time; and Internal versus External Control. According to Dr Trompenaars, "Culture is the manner in which these dilemmas are reconciled, since every nation seeks a different and winding path to its own ideals of integrity." Not only will conflict be reduced by this reconciliation, he argues, but businesses "will succeed to the extent that this reconciliation occurs."

CULTURE AND LEADERSHIP

In the pursuit of executing business strategy, culture trumps strategy every time. Leaders must understand the culture and recognize their responsibility in creating — or changing — it.

Leadership culture is the self-reinforcing web of beliefs, practices, patterns and behaviors. It's the way things are done — the way people interact, make decisions and influence others. Leaders' own conscious and unconscious beliefs drive decisions and behaviors, and repeated behaviors become leadership practices. Eventually these practices become the patterns of leadership culture.




CCL has found leadership cultures can be defined in three basic ways:

- **Dependent** leadership cultures operate with the belief that people in authority are responsible for leadership.
- **Independent leadership** cultures operate with the belief that leadership emerges out of individual expertise and heroic action.
- **Interdependent leadership** cultures operate with the belief that leadership is a collective activity to the benefit of the organization as a whole.

How do you know what kind of leadership culture you have — and if you have the culture required for the strategy you set?

One way to begin to decode your leadership culture is by assessing how leaders go about creating a shared direction, aligning work processes and maintaining commitment. The process of creating direction, alignment and commitment (DAC) may vary greatly depending on the predominant leadership culture.

Looking at the chart below, you can see that the approach to setting direction, for example, could be rooted in compliance (dependent culture), influence (independent culture) or shared exploration (interdependent culture). Similarly, the cultural approach to creating alignment and building commitment will vary. If the business strategy and the leadership culture are at odds, leaders need to get serious about changing themselves — so they can change the culture; create direction, alignment and commitment; and, over time, boost performance and meet strategic goals.

Cultural Considerations of Creating DAC			
	Direction	Alignment	Commitment
	How will we decide on a shared direction?	How will we coordinate our work so that it fits together?	How will we maintain commitment to the collective?
 Interdependent	Agreement on direction is the result of shared exploration and the emergence of new perspectives	Alignment results from ongoing mutual adjustment among system-responsible people.	Commitment results from engagement in a developing community.
 Independent	Agreement on direction is the result of discussion, mutual influence, and compromise.	Alignment results from negotiation among self-responsible people.	Commitment results from evaluation of the benefits for self while benefiting the larger community.
 Dependent	Agreement on direction is the result of willing compliance with an authority.	Alignment results from fitting into the expectations of the larger system.	Commitment results from loyalty to the source of authority or to the community itself.

CULTURE AND STRATEGY

Strategy is rational and logical

Strategy, at its core, is rational and logical, clear and simple. It should be easy to comprehend and to talk about. Without a clear strategy, a company is lost.

Culture is human

Corporate culture means different things to different people. It is emotional, ever-changing, and complex. Culture is human, vulnerable, and as moody as the people who define it.

A strategy that is at odds with a company's culture is doomed. Culture trumps strategy every time – culture eats strategy for breakfast

Corporate culture is an incredibly powerful factor in a company's long-term success. No matter how good a strategy is, when it comes down to it, people always make the difference. It can be intimidating and frustrating, often leaving leaders dodging it, neglecting it, or discounting it.

Because so many companies are run by people whose expertise is heavily skewed to the rational, financial, and legal side of the equation, culture is often subordinated, misunderstood, or unappropriated.

Too often a company's strategy, imposed from above, is at odds with the ingrained practices and attitudes of its culture. Leaders may underestimate how much a strategy's effectiveness depends on cultural alignment.

The relationship between culture and strategy

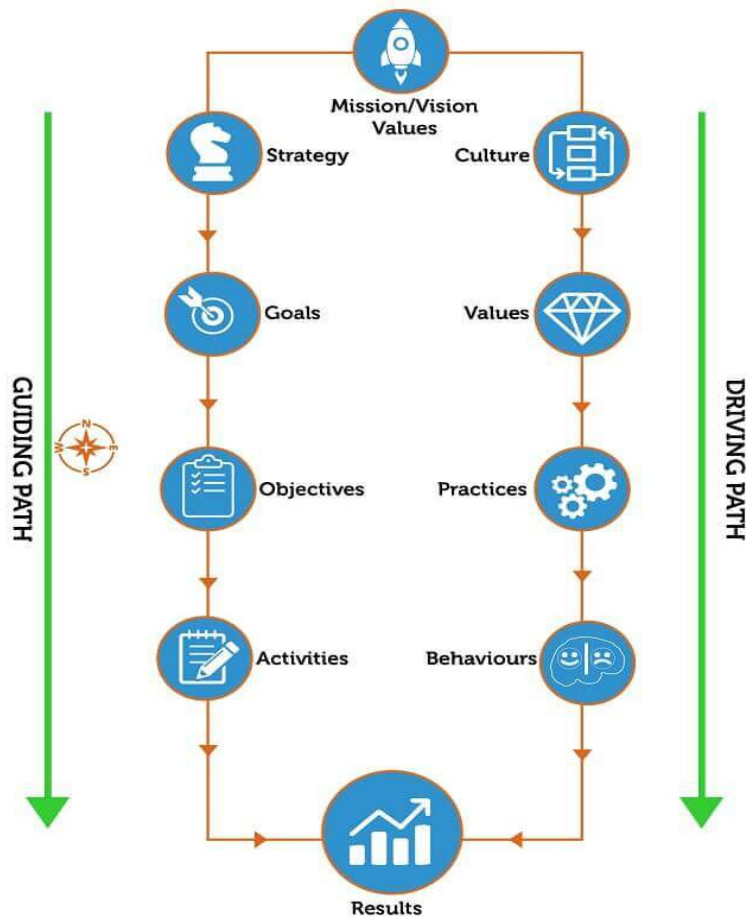
So what is the relationship between culture and strategy:

- ✓ Strategy drives focus and direction while culture is the emotional, organic habitat in which a company's strategy lives or dies
- ✓ Strategy is just the headline on the company's story – culture needs a clearly understood common language to embrace and tell the story that includes mission, vision, values, and clear expectations
- ✓ Strategy is about intent and ingenuity and culture determines and measures desire, engagement, and execution
- ✓ Strategy lays down the rules for playing the game, and culture fuels the spirit for how the game will be played
- ✓ Strategy is imperative for differentiation, but a vibrant culture delivers the strategic advantage
- ✓ Culture is built or eroded every day. How you climb the hill and whether it's painful, fun, positive, or negative defines the journey
- ✓ When culture embraces strategy, execution is scalable, repeatable and sustainable
- ✓ Culture is a clear competitive advantage
- ✓ Culture must be monitored to understand the health and engagement of an organization

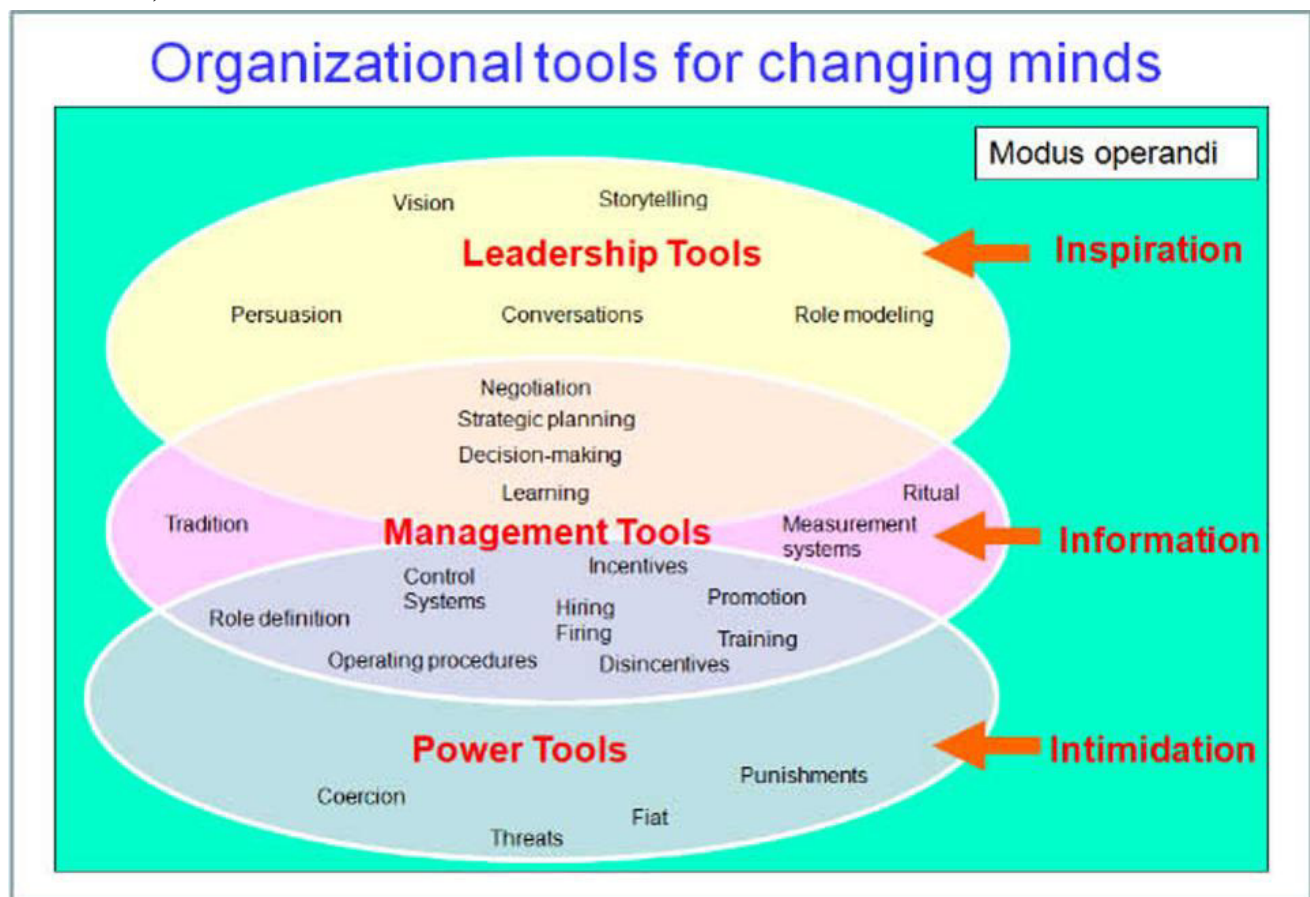
Organizational Alignment



The most critical element in any strategy is its translation into reality. The only true measure of success is in its execution. And one of the key determinants of successful strategy implementation is organizational alignment.



Changing an organization's culture is one of the most difficult leadership challenges. That's because an organization's culture comprises an interlocking set of goals, roles, processes, values, communications practices, attitudes and assumptions. The elements fit together as an mutually reinforcing system and combine to prevent any attempt to change it. That's why single-fix changes, such as the introduction of teams, or Lean, or Agile, or Scrum, or knowledge management, or some new process, may appear to make progress for a while, but eventually the interlocking elements of the organizational culture take over and the change is inexorably drawn back into the existing organizational culture. Changing a culture is a large-scale undertaking, and eventually all of the organizational tools for changing minds will need to be put in play. However the order in which they deployed has a critical impact on the likelihood of success. In general, the most fruitful success strategy is to begin with **leadership** tools, including a vision or story of the future, cement the change in place with **management** tools, such as role definitions, measurement and control systems, and use the pure **power** tools of coercion and punishments as a last resort, when all else fails.



Frequent mistakes in trying to change culture include:

- ✓ Overuse of the power tools of coercion and underuse of leadership tools.
- ✓ Beginning with a vision or story, but failing to put in place the management tools that will cement the behavioral changes in place.
- ✓ Beginning with power tools even before a clear vision or story of the future is in place.

These lessons are evident in successive efforts to change the organizational culture of the World Bank over a period of almost half a century.

The challenge of culture change at the World Bank

The World Bank represents a particularly difficult case of organizational culture change. Its formal goal—development—is ambiguous. The institution itself is a peculiar mix of a philanthropic foundation, a university and a bank. As an international organization, it is owned by the governments of the world, with a resident board of directors and their staffs who are ever present and ready to second-guess the management.

In a broad sense, the World Bank is a great success. It's easy to forget that fifty years ago, India, China and Korea were seen as basket cases requiring Western charity in perpetuity: today, they are independent economic powers in their own right, as a result in part to the implementation of economic policies that the World Bank has been coaching them over many years.

But the remaining development problems in the poorest countries, particularly in Africa, remain intractable. And the new global issues such as the environment present new challenges for the World Bank to play a different role from the past. Successive presidents have come and tried to change it, mostly with little success.

Robert McNamara: World Bank President 1968-1981

The most successful president by far in terms of changing the culture was Robert McNamara. After a career at the Ford Motor Company, of which McNamara became head in 1960, he was the U.S. secretary of defense from 1961 to 1968 and president of the World Bank from 1968 to 1981.

His most lasting accomplishment at the World Bank is, for better or worse, that he introduced hierarchical bureaucracy, with its attendant goals, roles, accountabilities, values and communications.

And we know how he did it. On his arrival at the World Bank in May 1968, McNamara quickly took charge. John Blaxall, a young economist at the time, recalls being summoned to McNamara's office shortly after his arrival, being handed a stack of annual reports, and asked to assemble multiyear financial statements—something that hadn't been done before. McNamara penciled in his left-handed scrawl on a white-lined pad the headings that he wanted. The columns across the top were the past five fiscal years, and the rows were the standard balance sheet and income statement items. How soon could he have it ready? Blaxall gave him a date and observed with concern that McNamara carefully wrote it down.

Within six weeks, McNamara had a set of tables covering all major aspects of the Bank Group's activities, with totals for each five-year period and detail for the past five years. Blaxall recalls McNamara poring over the sheets full of numbers, exclaiming with some animation: "This is really exciting, John!"

McNamara then asked the senior managers in the President's Council of the bank to fill in the numbers for the next five years for the activities under his responsibility. The immediate reaction was that it couldn't be done, to which McNamara replied that they should do it anyway—and have it ready within a month.

It is not surprising that the five-year lending plans submitted by the geographical units had little correspondence to the five-year plans prepared by the technical units. And the financial projections put forward by the disbursement department were unrelated to either.

It was at this point, in early summer 1968, that McNamara announced to the senior managers that in the future, the World Bank would have only one sheet of music from which everyone would play. Ensuring the necessary consistency would be a key role of the programming and budgeting department. The game plan was not a narrative but rather a set of standard tables—a bunch of numbers—through which McNamara managed the organization for the next thirteen years.

As a result, McNamara transformed the World Bank from a small, sleepy, financial boutique into a large, bustling, modern corporation, expanding lending more than tenfold in the course of his thirteen-year tenure. He dramatically increased the World Bank's role in agriculture and education and opened up new lines of business in health, population, nutrition, and urban development. He articulated a new role for the World Bank in alleviating global poverty, passionately calling attention to the plight of the poorest 40 percent of the world's population who had been essentially untouched by development lending. But his most lasting accomplishment is that he introduced hierarchical bureaucracy.

It's interesting to note what McNamara *didn't* do to bring about the culture change:

- ***He didn't change the managers or bring in his own staff.*** He basically worked with people who were already there. When he needed something he couldn't get from the existing management, he drew on young people from within the organization like Blaxall.
- ***He didn't start by reorganizing:*** It was only four years after his arrival (in 1972) that McNamara finally got around to a reorganization, which was needed in any event because the organization had grown so much. By this time, his management systems and philosophy were firmly in place.

McNamara thus arrived with a clear vision for the organization: it was to be a lending organization that was lending a great deal more money. He had a clear idea of the management he wanted introduced: hierarchical bureaucracy. He introduced systems and processes that focused everyone's attention on his vision of the World Bank as a rapidly growing lending organization and the type of management required. Those systems are still largely in place today and still guide management action.

Tom Clausen: 1981-1986: Strategic planning

Tom Clausen came from being head of the Bank of America, in which role he was named as the “best manager in America”. After his stint at the World Bank, he returned to the Bank of America, where he was once again voted “best manager in America”.

However at the World Bank, he found it difficult to make his mark. He spent much of his time trying to figure out how the organization functioned. He could see that the organization lent a great deal of money, but the goal of lending—development—remained fuzzy.

Clausen’s response was to launch a major strategic planning exercise, of which the end result, like most such corporate exercises, was essentially to continue with “more of the same”.

Clausen relied principally on management tools, and lacked any clear vision of where he wanted the organization to go. As a result, it kept going in the same direction.

Barber Conable: 1986-1991: Reorganization

Barber Conable’s background as a Republican congressman from New York led him to approach his new job as a political challenge. The organization that he inherited had become slow, bureaucratic and unresponsive to its stakeholders. Conable’s response was a massive reorganization, combined with mild downsizing. The hope was that the reorganized organization would emerge lighter, nimbler and more client-focused. The reality was that the old culture quickly reemerged, despite the new managers and the new structures. The culture easily survived.

Here the reliance of power tools resulted in short term disruption but no long term change.

Lew Preston (1991-1995) came from being head of JP Morgan. As a banker, he accepted the World Bank as a bank, and in the four years that he served as president, he made no significant effort to change it.

James Wolfensohn: 1995-2005: New structure, new managers

James Wolfensohn came from a career of investment banking. Unlike his predecessors, he had spent a number of years thinking about the World Bank and in fact trying to become its president. He was a candidate when McNamara retired in 1981, but he was told he was ineligible as an Australian citizen. He adopted U.S. nationality and succeeded in becoming president in 1995.

Upon his appointment, it was reported in the press that he intended to remove the entire cadre of senior managers. He denied the report at the time, but over the next couple of years, he did exactly that.

He also launched a massive reorganization that preoccupied managers and staff for several years, though as in earlier reorganizations, the culture re-emerged largely unscathed from the experience, despite the changes in personnel and structures.

More importantly, he also took steps to clarify the goal of the organization. In 1996, he espoused knowledge management as a strategic goal of the organization, calling it “the Knowledge Bank”. (I served as director of knowledge management from 1996-2000.)

In 1998, he succeeded in introducing a World Bank mission statement—the first in its entire life. To fight poverty with passion and professionalism for lasting results. To help people help themselves and their environment by providing resources, sharing knowledge, building capacity and forging partnerships in the public and private sectors.

The goal was for the first time clearly focused on fighting poverty. However as all of the management systems and processes remained focused on getting out the lending program, the mission statement has still had little operational impact.

Thus Wolfensohn’s ten-year term was marked by a lot of energy and effort to introduce change. The organization became more decentralized, with a younger and less experienced staff, but not fundamentally different. It was still a bank lending money for development, in accordance with the systems that McNamara had put in place almost forty years before.

Wolfensohn did have a vision for the organization as an organization dedicated to relieving poverty, but failed to put in place the management systems that would support and reinforce that vision.

Paul Wolfowitz: 2005-2007: New blood from outside

As a leading neoconservative, and Deputy Secretary of Defense, Paul Wolfowitz was a major architect of President Bush's Iraq policy and its most hawkish advocate. His appointment as president of the World Bank was controversial.

Wolfowitz arrived with a change agenda to move the organization towards a more conservative stance. He tried to do this by bringing on board some of his neoconservative lieutenants as managers. By and large, the organization, which has no tradition like the US government of bringing in new managers from outside, responded like an immune system reacting to invading pathogens.

- In effort to identify and put an end to corruption, Wolfowitz brought on two US nationals formerly with the Bush administration, whom he appointed as close advisors to flush out fraud. Their work proved divisive.
- Another appointee ran into problems when he tried change policies on family planning and climate change towards a conservative line.

After serving a tumultuous two years, Wolfowitz resigned, following revelation of a promotion that he had arranged for his companion. Obviously, a personal scandal brings any change effort to a screeching halt.

Robert Zoellick: 2007-to date

After the tumult of the brief Wolfowitz era, Zoellick's calm tenure with no bold moves was a relief to many. His recent discovery of the World Bank's role in providing data to the world shows how long it can take an incoming president to understand, let alone manage, this intricate organization. As he enters the final year of his five-year term, there is no indication from President Obama as to whether he wants the former Bush hand to stay on. Zoellick has made no statement about his own plans.

Meeting the challenge for the future

As of mid-2011, the World Bank remains a slow-moving traditional hierarchical bureaucracy, with an inward-looking perspective. The mission statement of 1998 dedicating the organization to the relief of poverty is largely unsupported by the management roles, systems and structures which still drive the organization to focus mainly on lending for individual development projects. While filled with talented staff, the organization as a whole is underperforming. It lacks the agility to cope with the diverse challenges that the world now faces.

Overall, the World Bank is desperately in need of a radical change in management. If no change occurs, it will become less and less relevant.

Lessons for the next president

If the next president is to achieve the needed change, he or she should learn from the success of Robert McNamara and the failures of his successors, as well as other successful change efforts in large organizations, such as Alan Mullaly at Ford [F] or even Steve Jobs at Apple [AAPL]:

- ✓ **Do** come with a clear vision of where you want the organization to go and promulgate that vision rapidly and forcefully with leadership storytelling.
- ✓ **Do** identify the core stakeholders of the new vision and drive the organization to be continuously and systematically responsive to those stakeholders.
- ✓ **Do** define the role of managers as enablers of self-organizing teams and draw on the full capabilities of the talented staff.
- ✓ **Do** quickly develop and put in place new systems and processes that support and reinforce this vision of the future, drawing on the practices of dynamic linking.
- ✓ **Do** introduce and consistently reinforce the values of radical transparency and continuous improvement.
- ✓ **Do** communicate horizontally in conversations and stories, not through top-down commands.
- ✓ **Don't** start by reorganizing. First clarify the vision and put in place the management roles and systems that will reinforce the vision.
- ✓ **Don't** parachute in a new team of top managers. Work with the existing managers and draw on people who share your vision.

UNIT III

LEADERSHIP

The “process of social influence in which one person is able to enlist the aid and support of others in the accomplishment of a common task” (according to R. E. Riggio, S. E. Murphy and F. J. Pirozzol in their work Cognitive, social, and emotional intelligence of transformational leadership). Put even more simply, the leader is the inspiration and director of the action. He or she is the person in the group that possesses the combination of personality and skills that makes others want to follow his or her direction.

Characteristics of leader-

High Intelligence, considerable verbal fluency, overall knowledge, required level initiative energy, ambition and persistence

Overview of Leadership Theories

Great Man theories

1. Trait theory
2. Situational theory
3. hersey and blanchard
4. Management theories
5. relationship theories

There are many theories trying to explain this term under different aspects.

1. **Great Man theories** assume that the capacity for leadership is inherent – that great leaders are born, not made. These theories often portray great leaders as heroic, mythic, and destined to rise to leadership when needed. The term “Great Man” was used because, at the time, leadership was thought of primarily as a male quality, especially in terms of military leadership.

2. **Trait theory** is the first academic theory of leadership. Closely linked to the Great Man theory, this one describes the types of behavior and personality tendencies associated with effective leadership.

3. **Situational theory** appeared then as an alternative. This theory assumes that there is no psychological profile of a leader as people react differently under different contexts. The theory developed by Fred Fiedler is also known as contingency theory. Fiedler assumes that there are 3 important situational dimensions that can influence the leader’s effectiveness. These are « leader-member relations », « task structure » and « position power ».

These 3 points make us think of another leadership theory developed by Hersey and Blanchard who also have a 3 dimensional approach for assessing leadership effectiveness. According to them leaders exhibit task behaviour and relationship behaviour; The effectiveness of the leader depends on how his or her leadership style interrelates with the situation and The willingness and ability (readiness) of an employee to do a particular task is an important situational factor.

4. **Management Theories** (also known as “Transactional theories”) focus on the role of supervision, organization, and group performance. These theories base leadership on a system of

reward and punishment. Managerial theories are often used in business; when employees are successful, they are rewarded; when they fail, they are reprimanded or punished.

5. Relationship Theories (also known as “Transformational theories”) focus upon the connections formed between leaders and followers. These leaders motivate and inspire people by helping group members see the importance and higher good of the task. Transformational leaders are focused on the performance of group members, but also want each person to fulfill his or her potential. These leaders often have high ethical and moral standards.

These theories are more and more seldom put into practice in today’s business world. However, they are still important as they provide us with basic assumptions that we can start from in order to make them evolve and adapt to the today’s context. The first theory is still used in manufacturing field and production workers. As for the Participative management style, it is used in professional services, and manager’s world.

From a manager point of view:

Theory X and Theory Y is theories of human motivation and management. They were created and developed by Douglas McGregor at the MIT Sloan School of Management, initially presented at a management conference in 1957,[1] and developed during the 1960s. These two theories describe contrasting models of workforce motivation applied by managers in human resource management, organizational behavior, organizational communication and organizational development. According to the models, the two opposing sets of general assumptions of how workers are motivated form the basis for two different managerial styles. Theory X stresses the importance of strict supervision, external rewards, and penalties: in contrast, Theory Y highlights the motivating role of job satisfaction and encourages workers to approach tasks without direct supervision.

Theory X is based on pessimistic assumptions regarding the typical worker. This management style supposes that the typical employee has little to no ambition, shies away from work or responsibilities, and is individual-goal oriented. Generally, Theory X style managers believe their employees are less intelligent than the managers are, lazier than the managers are, or work solely for a sustainable income. Due to these assumptions, Theory X concludes the typical workforce operates more efficiently under a "hands-on" approach to management. The 'Theory X' manager believes that all actions should be traced and the responsible individual given a direct reward or a reprimand according to the action's outcomes. This managerial style is more effective when used in a workforce that is not intrinsically motivated to. In contrast, Theory Y managers act on the belief that people in the workforce are internally motivated, enjoy their labor in the company, and work to better themselves without a direct "reward" in return. Theory Y employees are considered to be one of the most valuable assets to the company, and truly drive the internal workings of the corporation. Workers additionally tend to take full responsibility for their work and do not require the need of constant supervision in order to create a quality and higher standard product.

Because of the drastic change compared to the "Theory X" way of directing, "Theory Y" managers gravitate towards relating to the worker on a more personal level, as opposed to a more conductive and teaching based relationship. As a result, Theory Y followers may have a better relationship with their higher-ups, as well as potentially having a healthier atmosphere in the workplace. Managers in this theory tend to use a democratic type of leadership because workers will be working in a way that does not need supervision the most.

In comparison to "Theory X", "Theory Y" adds more of a democratic and free feel in the workforce allowing the employee to design, construct, and publish their works in a timely manner in co-ordinance to their workload and projects. Aydin reports a study undertaken to analyze the different management styles of professors at a Turkish University. This study found that the highly supervised Theory X management affected the research performance of the academics negatively. In general, the study suggests that the professional setting and research-based work that professors perform is best managed using a Theory Y management style.

While "Theory Y" may seem optimal, it does have some drawbacks. While there is a more personal and individualistic feel, this does leave room for error in terms of consistency and uniformity. The workplace lacks unvarying rules and practices, and this can result in an inconsistent product which could potentially be detrimental to the quality standards and strict guidelines of a given company.

Theory Z stresses the need to help workers become generalists, rather than specialists. It views job rotations and continual training as a means of increasing employees' knowledge of the company and its processes while building a variety of skills and abilities. Since workers are given much more time to receive training, rotate through jobs, and master the intricacies of the company's operations, promotions tend to be slower. The rationale for the drawn-out time frame is that it helps develop a more dedicated, loyal, and permanent workforce, which benefits the company; the employees, meanwhile, have the opportunity to fully develop their careers at one company. When employees rise to a higher level of management, it is expected that they will use Theory Z to "bring up," train, and develop other employees in a similar fashion.

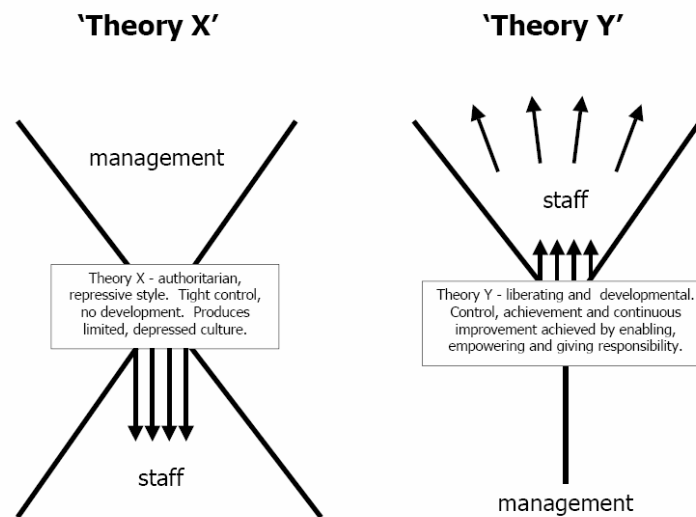
Ouchi's Theory Z makes certain assumptions about workers. One assumption is that they seek to build cooperative and intimate working relationships with their coworkers. In other words, employees have a strong desire for affiliation. Another assumption is that workers expect reciprocity and support from the company. According to Theory Z, people want to maintain a work-life balance, and they value a working environment in which things like family, culture, and traditions are considered to be just as important as the work itself. Under Theory Z management, not only do workers have a sense of cohesion with their fellow workers, they also develop a sense of order, discipline, and a moral obligation to work hard. Finally, Theory Z

assumes that given the right management support, workers can be trusted to do their jobs to their utmost ability and look after for their own and others' well-being.

Theory Z also makes assumptions about company culture. If a company wants to realize the benefits described above, it need to have the following:

- **A strong company philosophy and culture:** The company philosophy and culture need to be understood and embodied by all employees, and employees need to believe in the work they're doing.
- **Long-term staff development and employment:** The organization and management team need to have measures and programs in place to develop employees. Employment is usually long-term, and promotion is steady and measured. This leads to loyalty from team members.
- **Consensus in decisions:** Employees are encouraged and expected to take part in organizational decisions.
- **Generalist employees:** Because employees have a greater responsibility in making decisions and understand all aspects of the organization, they ought to be generalists. However, employees are still expected to have specialized career responsibilities.
- **Concern for the happiness and well-being of workers:** The organization shows sincere concern for the health and happiness of its employees and their families. It takes measures and creates programs to help foster this happiness and well-being.
- **Informal control with formalized measures:** Employees are empowered to perform tasks the way they see fit, and management is quite hands-off. However, there should be formalized measures in place to assess work quality and performance.
- **Individual responsibility:** The organization recognizes the individual contributions but always within the context of the team as a whole.

Theory Z is not the last word on management, however, as it does have its limitations. It can be difficult for organizations and employees to make life-time employment commitments. Also, participative decision-making may not always be feasible or successful due to the nature of the work or the willingness of the workers. Slow promotions, group decision-making, and life-time employment may not be a good fit with companies operating in cultural, social, and economic environments where those work practices are not the norm.



CULTURE AND STRATEGY

Culture and strategic decisions often find themselves confronted with socio-political and end strategy. In developing and implementing strategy, organizations need to assess their external environments and their internal capabilities. Managers making environment, structured problems or environmental uncertainty (Isada, 2010). And they react according to their subjected reality. Managers from different countries have different assumptions who should take the consequences or take the control. Cultural roots affects what kind of information should one consider important, what models are used to analyze that information, who should be involved and what strategic decision are taken

The effect of national culture on strategy

Cross-cultural management issues arise in a range of business contexts.

Within individual firms, for example, managers from a foreign parent company need to understand that local employees from the host country may require different organization structures and HRM procedures. In cross-border mergers and acquisitions (M&As), realizing the expected synergies very often depends on establishing structures and procedures that encompass both cultures in a balanced way. Cross-border joint ventures, alliances, or buyer-supplier relationships between two or more firms also require a cultural compromise. Finally, for firms to sell successfully to foreign customers requires culturally sensitive adaptations to products, services, marketing, and advertising.

At the face-to-face level in meetings the language and behavior of different peoples vary and their mutual understanding of each other's culture will influence the effectiveness and efficiency of communication between them. This influences how well multicultural workplaces operate at all levels, from strategy setting at the senior level to front-floor operations.

Firms also tend to have different organizational and decision-making practices depending on where they have evolved and which cultures and subcultures they encompass. For firms to build successful alliances and partnerships, or for M&A activities to succeed at the Company-to-company level, there needs to be an understanding of the organizational differences between them.

The environment of international business differences between them. This covers practically every element of corporate organizations from decision-making structures and systems and management–labor relationships to individual employees’ attitudes toward their work and their employer. Finally, culture influences the behavior and preferences of clients and customers. To sell successfully in a foreign market, a manager needs to adapt his or her product or service to meet the different needs of that particular group of customers. Any alteration in advertising, marketing, product or service features, after-sales support, technical back-up, documentation, etc., will be partly guided by cultural differences.

An organization’s mission strategy is a précis of the way in which the firm perceives its role and the beliefs the company employs in attaining its objectives. Culture could be viewed as a strategy that is used to solve problems that have developed with time (Tsang, 2014). Hofstede (2014) described 6 dimensions of national culture which a multinational company needs to take into account when formulating their strategic plans.

It is worth mentioning that the cultural aspects which are pertinent to the formulation of strategy include first, the nature of the correlation between the environment and man which influences the activities of gathering information essential for external adaptation, and secondly the nature of the correlations amongst individuals which influences organizational processes and structure, that is, internal integration (Schneider, 2011). Cultural attitudes toward the relationship of the environment and man influence how companies actually respond to and make sense of their environments hence affecting the nature of external adaptation.

The process of strategic management entails evaluating both organizational as well as environmental conditions. Some of the main environmental variables that are taken into account include government, economic systems, industry characteristics and competition, and market structure. The main organizational variables that are taken into account include climate and personality of the chief executive officer (CEO), structure, CEO demographics, CEO values, corporate culture, as well as managerial attributes such as tolerance of ambiguity, interpersonal orientation, and locus of control. These variables have an effect on how the organization aligns with its environment – strategy formulation – and the arrangement needed in the company to implementation of the strategy. The national culture of a country could be the critical variable that mediates this process since it might influence how the company relates with the environment in addition to the relationships amongst individuals in the company.

Cultural differences could be annoying for organizations and business people. Non-observance and ignorance of the national customs and regulations valid in a particular nation might end in causing inadvertent offence to a foreign client, breaking promising negotiations, or other instances of social blunders. As such, it is very important for businesspeople and organizations to have profound knowledge of practices and customs applied in global business (Fombrun, 2012). Two crucial rules that must be noted are: (i) visitors in international business are expected to observe and comply with local customs; and (ii) sellers in international business are expected to adapt to the buyers. These expectations should determine the actions of business organizations that operate in various cultural conditions and make up the foundation on which to develop a strategy of collaboration. Cultural differences are reflected in the awareness about such things as desired product features and appearance.

National culture has an impact on organizational strategy and implementation of the strategy, and can ultimately result in business failure or success. In essence, all national cultures have an impact on companies in both negative and positive ways, depending on the particular business, the business cycle, as well as the specific strategies being pursued (Hammerich & Lewis, 2013). Cultural dynamics could either derail or enable performance depending on these different factors.

The national culture of the country could actually influence this process given that it affects the nature of the relationship of a company with its environment and the nature of the relationships amongst employees in a company.

Global marketers need to become sensitive to cultural biases that influence their thinking, behavior, and decision making. Culture is a key pillar of the marketplace. Having an understanding of the culture can actually become a firm's competitive advantage. Within a given culture, consumption processes can include four stages: Access (economic and physical), buying behavior (Price, Brand, Country of origin, social norms), consumption characteristics (product/service, rural/urban, influence of reference group), and disposal (recycle, social responsibility).

Product Policy: Certain products are more culture-bound than other products. Food, beverages, and clothing products tend to be very culture-bound. Pricing Policy: Pricing policies are driven by four Cs: Customers, Company (costs, objectives, and strategy), Competition, and Collaborators (e.g., distributors) Distribution Policy: Cultural variables may also dictate distribution strategies

It is an area of vital importance to the management of people and processes in the modern economy; of particular importance to the global managers who work for multinational corporations located in different countries. Not just managers, but all people doing business

globally or just communicating globally, should take into account the culture as an aspect of business, and take advantage of all the resources that an international environment provide. The aim of this paper is to show that the understanding of cultural roots of human management and organization behavior is important not just for managers and management style - it goes beyond it, and reflects its impact on other organizational functions too.

A significant challenge to international business is a successful adaptation of diverse cultures and their impact on daily operations. Such adaptation requires an understanding of culture, cultural diversity, views, stereotypes and values.

Every nation's Culture consists of explicit and implicit patterns, and behaviors' acquired and transmitted symbols, which form the characteristic achievement group of people, including embodiments in artifacts; essential core of culture consists of traditional ideas and especially their values added; In particular, it links elements of organization structure and design with cultural orientation, for example, in the relationship between headquarters and regional subsidiaries.

- Ethnocentric firms are where top management is dominated by home-country nationals, and procedures and management styles are transferred from the head office and imposed on regional subsidiaries in place of local ways of doing things.
- Polycentric firms tend to act like a federation of semi-autonomous organizations with financial controls or strict reporting structures holding them together. Subsidiaries are able to reflect the local cultural norms, and headquarters appreciates the need for different organization designs, procedural norms, rewards systems, etc., as long as profits flow to the center.
- Geocentric firms are seen as the ideal, collaborative, and meritocratic form of global organization. (Unilever is seen as an example based on the above statement.) An equal sharing of power and responsibility between headquarters and subsidiary; senior management promoted according to ability rather than nationality; subsidiaries that share worldwide objectives with managers focusing beyond national market interests.

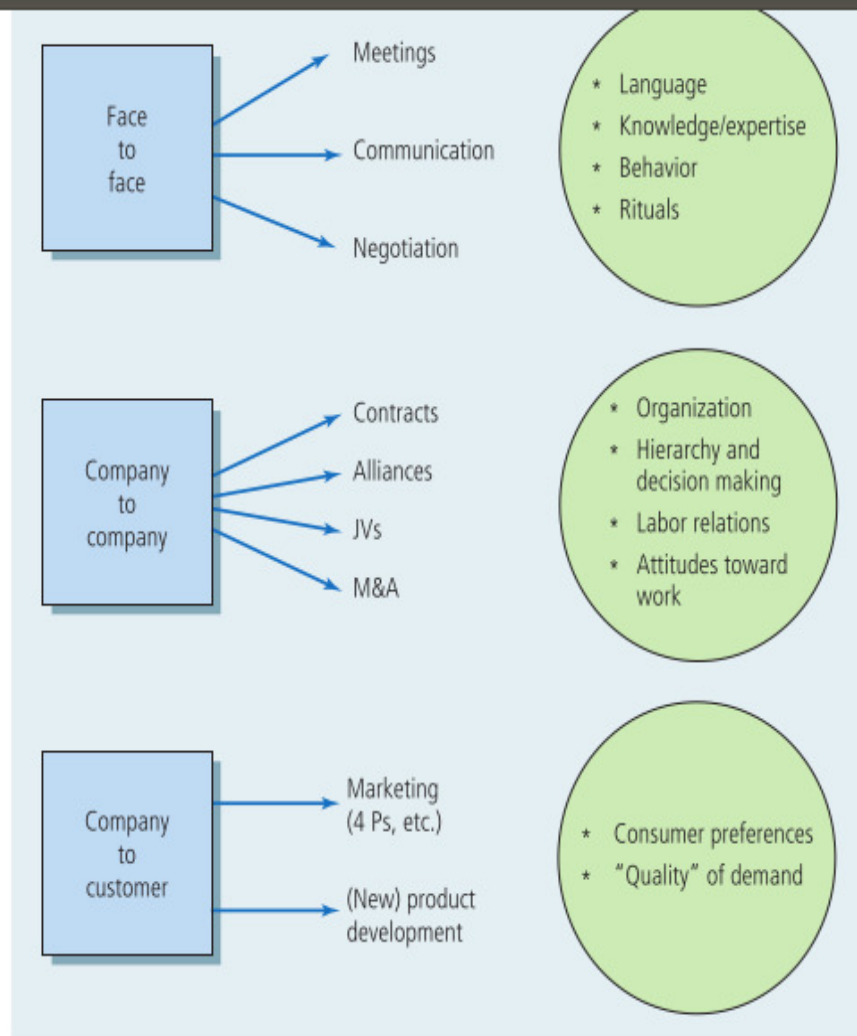


Figure 5.1 Cross-cultural business contexts

CULTURE SHOCK

A sense of confusion and uncertainty sometimes with feelings of anxiety that may affect people exposed to an alien culture or environment without adequate preparation.+

An unpleasant experience that can be had when coming into contact with other cultures. Marx developed a model in 3 levels can be called as

There are several factors that can affect how fast you move through the stages, including:

- Mental health
- Personality type
- Previous experiences with other cultures
- How familiar you are with the language
- Support systems you have in place
- Education level

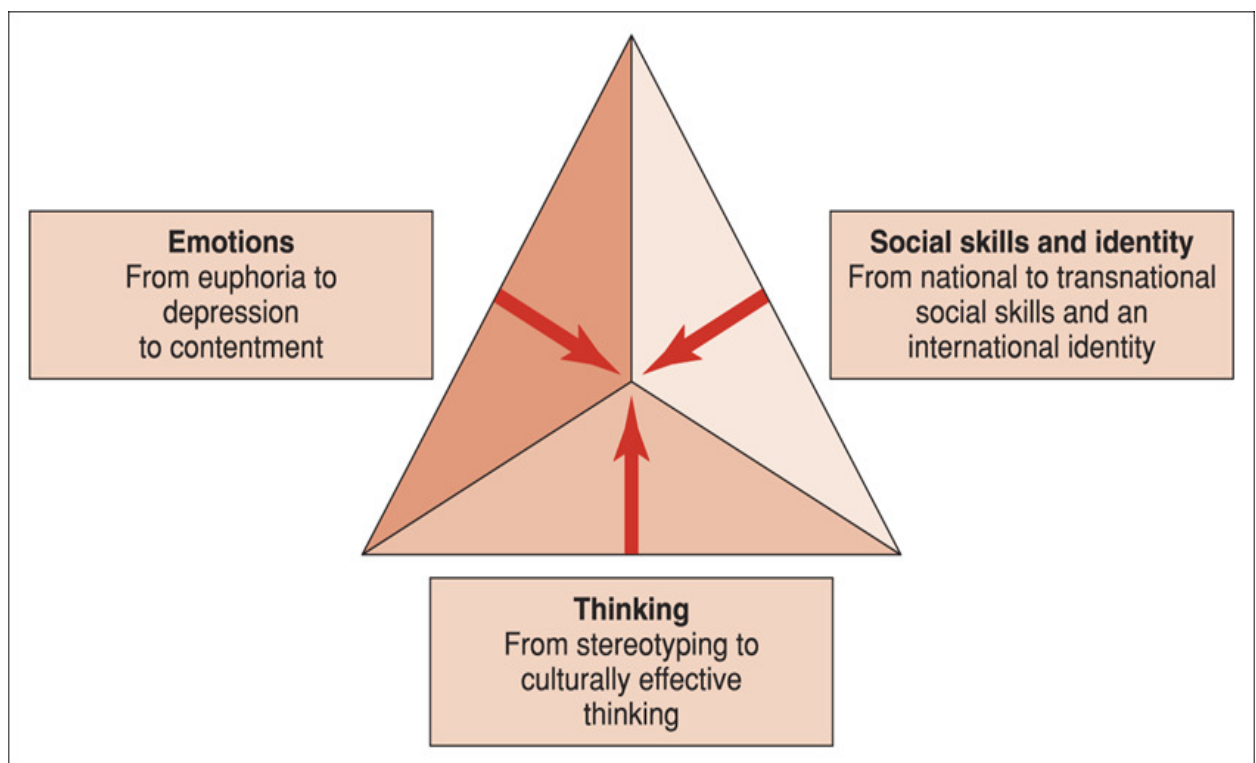
Culture shock can be described as the physical and emotional discomfort one suffers when living in another country or place different from his or her place of origin. Usually, the way that we lived before is not accepted or considered normal in the new country

Four Common Stages of Cultural Adjustment

STAGE

- 1: “The Honeymoon” Initial Euphoria/Excitement
- 2: “Culture Shock Irritation/Hostility
3. Gradual Adjustment, Humor, and Perspective
4. “Feeling at Home” Adaptation and Biculturalism

This is a normal reaction of people who confront the strange, unknown, the foreign but gives indication of future success.



Culture Shock Triangle

Mergers and Acquisitions a strategic or cultural issue

What does this mean for integrating two companies?

If people acted solely on the basis of rational calculations — the model of behavior preferred by economists — mergers would be effective — or not — based on the soundness of their economic underpinnings. But participants in mergers are human and driven both by their shared culture and individual personalities. Cultural influences have the potential to be broad and far reaching:

Culture affects Resulting in Decision-making style (for example: consensus contrasted with top-down) Effective integration requires rapid decision-making.

- Different decision-making styles can lead to slow decision-making,
- Failure to make decisions, or failure to implement decisions. Leadership style (for example: dictatorial or consultative, clear or diffuse) A shift in leadership style can generate turnover among employees who object to the change. This is especially true for top talent, who are usually the most mobile employees. Loss of top talent can quickly undermine value in an integration by draining intellectual capital and market contacts. Ability to change (willingness to risk new things, compared with focus on maintaining current state and meeting current goals) Unwillingness to implement new strategies. Unwillingness to work through the inevitable difficulties in creating a new company. How people work together (for example: based on formal structure and role definitions or based on informal relationships) Merged companies will create interfaces between functions that come from each legacy company, or new functions that integrate people from both legacy companies. If the cultural assumptions of the legacy companies are inconsistent, then processes and handoffs may break down with each company's employees becoming frustrated by their colleagues' failure to understand or even recognize how work should be done.

Culture affects	Resulting in
Decision-making style (for example: consensus contrasted with top-down)	<ul style="list-style-type: none"> • Effective integration requires rapid decision-making. • Different decision-making styles can lead to slow decision-making, failure to make decisions, or failure to implement decisions.
Leadership style (for example: dictatorial or consultative, clear or diffuse)	<ul style="list-style-type: none"> • A shift in leadership style can generate turnover among employees who object to the change. This is especially true for top talent, who are usually the most mobile employees. • Loss of top talent can quickly undermine value in an integration by draining intellectual capital and market contacts.
Ability to change (willingness to risk new things, compared with focus on maintaining current state and meeting current goals)	<ul style="list-style-type: none"> • Unwillingness to implement new strategies. • Unwillingness to work through the inevitable difficulties in creating a new company.
How people work together (for example: based on formal structure and role definitions or based on informal relationships)	<ul style="list-style-type: none"> • Merged companies will create interfaces between functions that come from each legacy company, or new functions that integrate people from both legacy companies. If the cultural assumptions of the legacy companies are inconsistent, then processes and handoffs may break down with each company's employees becoming frustrated by their colleagues' failure to understand or even recognize how work should be done.
Beliefs regarding personal "success" (for example: organizations that focus on individual "stars," or on teamwork, or where people rise through connections with senior practitioners)	<ul style="list-style-type: none"> • Again, these differences can lead to breakdowns in getting work done. If people who believe they have to achieve goals as a team integrate with people whose notion of "success" emphasizes individual performance, the resulting situation is often characterized by personal dislike and lack of support for getting the job done.

CULTURAL CHANGE IN ORGANIZATIONS

Certain mechanism for change of organization culture and instrument for diagnosing the change is required for the growth and survive. Change in internal factors i.e., behavioral practices means dynamic culture of company is the key factor to deal with external pressure.

The successful change has to do with maintaining both continuity and change, retaining cultural foundation on which the company rests while changing its strategies and practices.

The process of change- organizational change is perceived in linear fashion change putting of past state of affairs behind and pushing on with new culture through gradual transformation. Managing change in the sense of ensuring the continuing of running an organization, re-assigning tasks, maintaining overall stability, may well be necessary in this process.

The real change of behavior and cultural change through behavioral change of people/employees but not designations and replacing managers or structures.

The change is through identifying with role models who committed/inclined to new purpose or goal. This fundamental change comes with gradual and painful transformation.

The Mechanisms of change- there are mechanisms for shaping and reinforcing the culture only effective if consistent with primary means:

- The design and structure of the organization.
- The systems and procedures used
- the rites and rituals used in an organization
- the design and layout of the organization's physical space
- stories of important events and people
- Formal statements of the organization's philosophy.

When a manager is intent on getting employees to perceive things differently, all the primary mechanism must be used and they must all consistent with each other.

Schein model refers how culture plays an important role in determining how environmental developments are perceived by members of organization, and how members of organization react to the strategies designed to respond to those environmental developmental.

CULTURE AND MARKETING

Modern marketing efforts are mostly based on the analysis of consumer psychology and behavior. This kind of analysis has proven very effective in reaching consumers with messages about products, services and brands. However, this kind of marketing, taken by itself, can offer an incomplete picture of consumer behavior. It leaves out the cultural factors that influence and often change consumer behaviors. By paying attention to these cultural insights, marketers can get ahead of the curve and offer messages that anticipate changing consumer attitudes rather than

simply responding the present needs and wants of consumers. The ability to anticipate future consumer behavior can give marketers a serious competitive advantage in today's marketplace.

Consumer Insights

Typically, marketers rely on research about the target market for their products and brand to craft advertising campaigns for current products and develop new products. Market research helps the marketer understand the psychology, motivations, needs and behaviors of consumers. This information is typically based a scientific quantitative analysis of the market. It can be gathered from publicly available data sources. Companies can also invest in their own market research by conducting mail or phone surveys, focus groups and in-depth interviews to accumulate data on their target market.

This kind of research helps marketers get a handle on the basic needs that drive individual consumers. They can predict the response to actions of the company and develop a marketing strategy to reach the people in their target market. However, this kind of research misses a significant aspect of consumer behavior. It cannot account for the cultural trends that change consumer needs and behavior over time.

Cultural Insights

The problem with relying solely on consumer insights for marketing is that marketing messages never reach individual consumers without the intervening medium of culture. Every society has a way of life: a complex matrix of manners, styles of dress, norms for social behavior, rituals, religions, values and language. This matrix influences how messages are received by individuals in a way that is hard to quantify and fit into a strategic marketing plan.

Cultural insights demonstrate where consumer behavior may be changing. These insights point the way toward massive shifts in values, attitudes and behaviors that are perking just underneath the surface of our day-to-day lives. These trends do not show up in quantitative market research because individuals may not be conscious of these social and cultural tensions.

How Cultural Marketing Works

Cultural marketers seek to get behind movements and deep trends in the prevailing culture. For example, take Dove's Real Beauty campaign. By engaging in a conversation about feminine beauty, Dove not only revived its brand but participated in a cultural movement. Quantitative consumer insights might suggest that women have insecurities about their bodies and that these insecurities should be played up in marketing messages. Dove's insight into broader cultural trends led them to abandon this approach and to take the lead in cultural change. Their ads celebrate different kinds of feminine beauty and have brought this conversation to the front and center of our culture. The campaign is not without its critics, but there is no doubt that Dove has shed light on the issue of beauty in a way had not been done before.

Cultural marketing pays attention to what is going on in the culture. Marketers need to be careful observers of the culture around them so that they can anticipate what issues will be important in the future. They need to identify movements that their brand can speak to. Listening to conversations in the media and on the Internet helps marketers raise awareness of the values that are motivating cultural change. Focusing on cultural movements allows marketers to forecast ways in which the markets they serve are changing. For example, if marketers do not pay attention to the growing use of mobile devices and how these are creating changes in consumer behavior, they could be left high and dry when this movement grows and changes the marketplace.

Benefits of Integrating Cultural Insights into Marketing Strategy

This is not to say that consumer insights do not result in a competitive advantage. However, a marketing strategy that does not pay attention to cultural shifts will be incomplete and susceptible to large cultural changes in consumer behavior. Cultural marketing allows companies to get ahead of the curve. They can anticipate and participate in cultural changes that will shape the future of our society. By riding these movements, they can gain a serious competitive advantage and position their products and brand for future success.

The future of marketing must include a strong emphasis on cultural change. Marketers will need to help their companies be shapers and creators of culture rather than just responding to present consumer needs and Importance of Culture in Marketing.

What is the challenge of culture in marketing?

The importance of culture in terms of marketing is big. The world market is made up of smaller markets. The entire world economy is comprised of smaller economies that are distinct in themselves. These economies have their own cultures and languages. American economy is distinct from that of India. Indian market is distinct from the Chinese and the Chinese are distinct from the Japanese. These differences are there because of the different cultures and cultural styles. A few things that are acceptable in Germany may not be acceptable in the US market. The kind of fashion loved in US may not be as acceptable in Middle East. These cultural differences can affect business performance.

Several times you may have come across brands that rule the western market but when it comes to the East, their performance might not remain as great. In such a case if you have to create a global brand you must have a deep understanding of the cultural barriers that can affect business performance. IKEA had to enter US but to gain acceptance it needed to make changes to its business style, philosophy, prices and product types among other things. Why did IKEA make all these changes? It was to add cultural appeal to its brand. Unless your brand appeals to the culture, talks to it, the culture and the market would not respond.

Just not these things, culture exists on the consumers' side too. Consumers' purchasing decisions are aligned with their cultures. Suppose an Asian goes to the market to buy a new

perfume. He will base his choice on several factors. These factors are price, product quality and packaging. A well-known international brand that is less talked of in Asian markets may not appeal to him as strongly as does a less known product that is packaged according to his cultural preferences. Culture can affect consumer's preferences and that too deeply. It is why specific models of cars that are loved in one part of the globe may be less popular in the other.

A strategy that works in America may not work as well in Dubai and nor in Hongkong. An ad that is popular in US or Britain may not be as popular in Arabia. All the reasons lie in the cultural differences in these markets. The societies of two nations in two different parts of the world do not think, act or eat similarly. Globalization has brought changes and several things have become common but culture still affects how things are done, how people think and shop. Consumers do think before they shop. They would recognize a brand better that talks to their culture. They would find it easier to connect with these brands.

Even consumer needs differ from culture to culture. If smaller cars are in higher demand in a market then again there are cultural factors behind it. If SUVs are in higher demand in the US market, then you can feel the role of culture in it. Culture affects consumers' lifestyles. Most of the brands are actively working on responding to cultural values. So, a brand that does not work on the cultural side of marketing misses a very important part of its marketing strategy. By responding to the cultural values, the brands prove that they know their consumers' needs better. It is why brands must remain ready to alter their strategy as per the market and its culture.

Cadbury is a global brand that sells around the world. However, its Asian ads may be much different from its American ads. The content of these ads varies as per the cultural differences. Glamour or sex may appeal more to people in Western cultures and less in Eastern. In 2017, the rules of marketing are being rewritten. Brands have to try new combinations that fit with the local culture of the markets they are operating in. While fear appeal or informational appeal in ads might have worked in the past, a mixed appeal would work now. Still, what makes these ads most appealing in the eyes of people is culture. It must reflect in the ads. Ads that most beautifully capture the beauty of the local culture work the best. So, if you have planned to release your brand in the Asian markets, then you must focus on what works there. If you have to connect with Gandhi's culture, you should understand what values work there. If you have to connect with Tao's you must change your strategy. So, culture holds a distinct and important value in marketing. Cultural and religious values are important because going very far from them is not possible for consumers. It is why the importance of culture has kept growing. Increasing competition has also bolstered the importance of culture. Brands are now establishing new connections with local markets by utilizing culture as the tool of connection. They must use the cultural lens with care to see how people perceive their brand and where culture shapes or alters their perception of the brand.

CULTURAL DIVERSITY

Cultural diversity is the quality of diverse or different cultures, as opposed to monoculture, the global monoculture, or a homogenization of cultures, akin to cultural decay. The phrase cultural

diversity can also refer to having different cultures respect each other's differences. The phrase "cultural diversity" is also sometimes used to mean the variety of human societies or cultures in a specific region, or in the world as a whole. Globalization is often said to have a negative effect on the world's cultural diversity.

There are many separate societies that emerged around the globe differed markedly from each other, and many of these differences persist to this day. As well as the more obvious cultural differences that exist between people, such as language, dress and traditions, there are also significant variations in the way societies organize themselves, in their shared conception of morality, and in the ways they interact with their environment. Cultural diversity can be seen as analogous to biodiversity.

Opposition and support

By analogy with biodiversity, which is thought to be essential to the long-term survival of life on earth, it can be argued that cultural diversity may be vital for the long-term survival of humanity; and that the conservation of indigenous cultures may be as important to humankind as the conservation of species and ecosystems is to life in general. The General Conference of UNESCO took this position in 2001, asserting in Article 1 of the Universal Declaration on Cultural Diversity that "...cultural diversity is as necessary for humankind as biodiversity is for nature"

This position is rejected by some people, on several grounds. Firstly, like most evolutionary accounts of human nature, the importance of cultural diversity for survival may be an un-testable hypothesis, which can neither be proved nor disproved. Secondly, it can be argued that it is unethical deliberately to conserve "less developed" societies, because this will deny people within those societies the benefits of technological and medical advances enjoyed by those in the "developed" world.

In the same manner that the promotion of poverty in underdeveloped nations as "cultural diversity" is unethical. It is unethical to promote all religious practices simply because they are seen to contribute to cultural diversity. Particular religious practices are recognized by the WHO and UN as unethical, including female genital mutilation, polygamy, child brides, and human sacrifice.

With the onset of globalization, traditional nation-states have been placed under enormous pressures. Today, with the development of technology, information and capital are transcending geographical boundaries and reshaping the relationships between the marketplace, states and citizens. In particular, the growth of the mass media industry has largely impacted on individuals and societies across the globe. Although beneficial in some ways, this increased accessibility has the capacity to negatively affect a society's individuality. With information being so easily distributed throughout the world, cultural meanings, values and tastes run the risk of becoming homogenized. As a result, the strength of identity of individuals and societies may begin to weaken.

Some individuals, particularly those with strong religious beliefs, maintain that it is in the best interests of individuals and of humanity as a whole that all people adhere to a specific model for society or specific aspects of such a model.

Nowadays, communication between different countries becomes more and more frequent. And more and more students choose to study overseas for experiencing culture diversity. Their goal is to broaden their horizons and develop themselves from learning overseas. For example, according to Fengling, Chen, Du Yanjun, and Yu Ma's paper "Academic Freedom in the People's Republic of China and the United States Of America.", they pointed out that Chinese education more focus on "traditionally, teaching has consisted of spoon feeding, and learning has been largely by rote. China's traditional system of education has sought to make students accept fixed and ossified content." And "In the classroom, Chinese professors are the laws and authorities; Students in China show great respect to their teachers in general." On another hand, in United States of America education "American students treat college professors as equals." Also "American students' are encouraged to debate topics. The free open discussion on various topics is due to the academic freedom which most American colleges and universities enjoy." Discussion above gives us an overall idea about the differences between China and the United States on education. But we cannot simply judge which one is better, because each culture has its own advantages and features. Thanks to those difference forms the culture diversity and those make our world more colorful. For students who go abroad for education, if they can combine positive culture elements from two different cultures to their self-development, it would be a competitive advantage in their whole career. Especially, with current process of global economics, people who owned different perspectives on cultures stand at a more competitive position in current world.

Cultural Diversity Trends and Examples

1. The growth of a minority workforce.

Today's workforce is made up of a very diverse population of individuals from every part of the world, which creates dynamic multiracial and multicultural organizations. Such diversity brings with it many differences in skills, abilities and experiences. Because C-Transport values having a very diverse workforce themselves, they ensured that human resources recruited a minority representation within the corporation. This created an atmosphere where different viewpoints and ideas came out of brainstorming sessions and were welcomed.

2. The second trend is a growth of stereotyping and prejudices.

This can be hard to avoid when so many different cultures come together in a work environment. For example, many of C-Transport's executives were against hiring female engineers. Many executives were from the old school and thought that the female engineers would not be as dependable due to possible maternity breaks.

3. Another trend companies are embracing is the addition of sensitivity or diversity training.

This type of training educates all employees about cultural differences so that they can understand and appreciate each other. The purpose of sensitivity training is to teach employees how to properly act and communicate in a corporate environment. Topics covered in a sensitivity training session will include learning proper etiquette, appropriate terminology, improvement of communication skills, anti-bullying management styles and how to eliminate sexual harassment within a company. C-Transport ran a sensitivity training class for employees who were not accepting of female engineers.

4. The fourth trend is a large increase of females in the workforce.

In fact, over the past few decades, women's participation in the workforce has grown dramatically to account for almost half of the labor force. It is not a surprise that many of C-Transport's recent job applicants were female engineers. C-Transport found that they brought a unique approach to designing aircrafts.

5. Another trend is that corporations became more open to hiring individuals with disabilities and accepting different abilities.

UNIT IV

Culture and Communications

To succeed in the global economy today, more and more companies are relying on a geographically dispersed workforce. They build teams that offer the best functional expertise from around the world, combined with deep, local knowledge of the most promising markets. They draw on the benefits of international diversity, bringing together people from many cultures with varied work experiences and different perspectives on strategic and organizational challenges. All this helps multinational companies compete in the current business environment. But managers who actually lead global teams are up against stiff challenges. Creating successful work groups is hard enough when everyone is local and people share the same office space. But when team members come from different countries and functional backgrounds and are working in different locations, communication can rapidly deteriorate, misunderstanding can ensue, and cooperation can degenerate into distrust.

Preventing this vicious dynamic from taking place has been a focus of my research, teaching, and consulting for more than 15 years. I have conducted dozens of studies and heard from countless executives and managers about misunderstandings within the global teams they have joined or led, sometimes with costly consequences. But I have also encountered teams that have produced remarkable innovations, creating millions of dollars in value for their customers and shareholders.

One basic difference between global teams that work and those that don't lies in the level of social distance—the degree of emotional connection among team members. When people on a team all work in the same place, the level of social distance is usually low. Even if they come from different backgrounds, people can interact formally and informally, align, and build trust. They arrive at a common understanding of what certain behaviors mean, and they feel close and congenial, which fosters good teamwork. Coworkers who are geographically separated, however, can't easily connect and align, so they experience high levels of social distance and struggle to develop effective interactions. Mitigating social distance therefore becomes the primary management challenge for the global team leader.

To help in this task, I have developed and tested a framework for identifying and successfully managing social distance. It is called the SPLIT framework, reflecting its five components: structure, process, language, identity, and technology—each of which can be a source of social distance. In the following pages I explain how each can lead to team dysfunction and describe how smart leaders can fix problems that occur—or prevent them from happening in the first place.

Structure and the Perception of Power

In the context of global teams, the structural factors determining social distance are the location and number of sites where team members are based and the number of employees who work at each site.

The fundamental issue here is the perception of power. If most team members are located in Germany, for instance, with two or three in the United States and in South Africa, there may be a sense that the German members have more power. This imbalance sets up a negative dynamic. People in the larger (majority) group may feel resentment toward the minority group, believing that the latter will try to get away with contributing less than its fair share. Meanwhile, those in the minority group may believe that the majority is usurping what little power and voice they have.

The situation is exacerbated when the leader is at the site with the most people or the one closest to company headquarters: Team members at that site tend to ignore the needs and contributions of their colleagues at other locations. This dynamic can occur even when everyone is in the same country: The five people working in, say, Beijing may have a strong allegiance to one another and a habit of shutting out their two colleagues in Shanghai.

When geographically dispersed team members perceive a power imbalance, they often come to feel that there are in-groups and out-groups. Consider the case of a global marketing team for a U.S.-based multinational pharmaceutical company. The leader and the core strategy group for the Americas worked in the company's Boston-area headquarters. A smaller group in London and a single individual in Moscow focused on the markets in Europe. Three other team members, who split their time between Singapore and Tokyo, were responsible for strategy in Asia. The way that each group perceived its situation is illustrated in the exhibit below.

As companies continue to grow and expand their global workforce, managing and working with people from around the world is becoming the new reality. While international growth and team diversity may pose unique challenges, such as time-zone differences, cultural differences and communication differences, working in multicultural teams can also offer many rewards and benefits.

"When we engage with people from around the world and with different backgrounds, we're exposed to different ideas and perspectives. Not only can this benefit the workplace relationships we develop, but it can also lead to improved productivity and business success," says Jennifer Piliero, senior product manager for Ceridian LifeWorks.

Whether you have employees working in one country or 100, as a leader you are responsible for ensuring your team's individual and group success. When team members are dispersed around the world, maintaining team focus and ensuring that everyone is working toward the same goals can be one of the greatest challenges managers face.

Below we discuss effective strategies from Ceridian LifeWorks for bridging communication gaps across multicultural teams. Piliero says, "Helping managers better coach and motivate their diverse employees can go a long ways in creating a stronger sense of team unity, employee engagement and workforce effectiveness."

8 tips for successfully managing international teams

1. **Communicate frequently and regularly.** Frequent communication is important for all teams. It's especially important for international and global teams. Regularly scheduled

meetings can be an important time for team members to exchange information and knowledge, to learn from one another's experiences and to keep people current on organizational and team developments and updates.

2. **Avoid making assumptions.** "In every country, you find that 'yes' means something different, 'maybe' means something different, 'I'll do that right now' means something different," writes Scott Kirsner in a *Fast Company* article. Keep this in mind as you communicate with employees and customers across the globe.
3. **Build trust among team members.** Define and discuss core team values. Discuss how you will work together to achieve both individual and team deadlines and milestones. Help people get to know one another as individuals.
4. **Experiment with different ways of getting things done.** With a diverse, multicultural team, you may discover many new ways for getting the work done.
5. **Make room in your budget for international travel.** Face-to-face meetings are an essential component of building trust and good working relationships for all teams. This is even more important for global teams.
6. **Ask questions, be a careful listener and approach your work with an open mind.** Ask questions to help both you and others clarify and better understand, and listen carefully with an open mind. Getting out of your comfort zone and having an open mind can help you experience things you may not be familiar with and expose you to new viewpoints.
7. **Promote and support diversity initiatives.** Attend diversity training classes for managers if these are offered. Also, look for opportunities to assign global team members shared projects so they can learn from each other while getting to know one other.
8. **Increase awareness of resources available to help with personal and work issues.** Resources like an employee assistance program (EAP) can help employees find child care and elder care, balance work and family responsibilities as well as deal with culture shock, stress, emotional health and other important issues.

Managing global teams comes with its own set of unique challenges, but finding ways to connect across borders and leveraging a diverse skill set can strengthen team cohesion, employee engagement and boost workforce productivity.

BARRIERS TO INTERCULTURAL COMMUNICATION

Language differences exist in verbal, written and non-verbal communication, and they can be significant barriers to successful intercultural communication. This article looks at these language differences and some of the methods that can be used to ensure effective intercultural communication.

Verbal communication

Different spoken languages are obvious barriers to effective communication in international business. However, becoming fluent in a new language can take many months, even years, of

intensive study and most organisations do not have the time or resources to enable employees to improve their language skills. Problems can arise when a person must rely on their knowledge of another language in order to operate in another country or work with a person from another country. If their language skills are slightly rusty or they are not as fluent as they should be, serious problems in understanding can emerge.

A way of getting around these language difficulties is to employ the services of an interpreter – this is often the only practical solution in many international business situations. But this option is not without its problems: when messages are relayed through several people, there are more opportunities for miscommunication. This may happen when the interpreter is familiar with the languages being used, but is not so knowledgeable about the business terms and jargon used for that particular business activity.

Problems may arise through incorrect interpretations by translators and through semantics difficulties, so learning the syntax and structure of a language is not enough. For example, a 'hot item' will not burn a finger that touches it; it is merely an item that is selling very well, or something that has been stolen – it depends on the context. A 'non-stop' flight will, of course, stop eventually – at its intended destination. Similarly, people do not literally 'catch' a bus – something of a physical impossibility! If an international business person is ignorant of the connotations, slang, idioms and dialects of a given language, problems can quickly arise.

N.B: It is important to make the distinction between a translator and an interpreter. A translator converts words from one language into the corresponding words of another language. Words that have been translated into another language can often have meanings that were not intended. An interpreter, however, conveys meaning from one language to another, so in most business situations it is advisable to use an interpreter rather than a translator.

Written communication

When organisations operate in an international context, it may lead to problems with written communication. Written documents that may be considered appropriate in one culture may not necessarily be appropriate for another culture. Also the level of formality needed in written documents can vary from culture to culture. Writing styles commonly used in some cultures may be offensive to others.

The content and style of written organisational communications may differ between cultures. In some cultures, a direct approach is favoured. In others, the main message is preceded by polite words that have little or nothing to do with the main purpose of the message. The message may then be followed by polite words that bear little or no relationship to the purpose of the communication.

Strong statements in written messages in some cultures may be considered as improper or even rude in other cultures. For example, most written communications from Japan are apologetic in tone, containing statements that place the writer in an inferior position to the recipient. Japanese executives may consider written documents received from American executives too bold and

directional. Conversely, the American perception may be that the Japanese are weak and uncommitted to their positions.

Customs and practices in written communications vary greatly from culture to culture. For example, the word 'dear' has a special connotation in Spain, as the word is a term of endearment or affection for a loved one or family member. Therefore, when writing a business letter to a Spanish person, the salutation should not contain the word 'Dear'.

Non-verbal communication

Dealing with language is only the beginning. Non-verbal barriers to intercultural communication can often pose greater problems than language barriers. Many non-verbal cues carry different meanings in different cultures – in some cultures their meaning may be strong, while in others they may mean very little or indeed nothing at all.

Non-verbal communication includes stance, facial expressions and gestures. However it also involves seating arrangements, personal distance, sense of time, dress and pitch or tone of voice. For example, the British typically regard Germans and Americans (among others) as speaking too loudly. However, in Arabic countries, loudness is associated with sincerity and forcefulness, but not when dealing with superiors, when a softer tone is used.

Non-verbal communications operate subconsciously, and as a result generate feelings which are difficult to recognise and rationalise.

Non-verbal communication is, therefore, a very powerful means of conveying feelings but it is extremely difficult to control.

How to improve cross-cultural communication

- Improve cross-cultural communication by visiting embassies in countries where you are conducting business. Names of translators and interpreters can often be obtained from these embassies, along with other useful information, such as details of local business customs and practices.
- Study the cultures with which business is to be transacted. Cross-cultural training courses can be used to help prepare for international working, and are often available at colleges, universities and through private consultants. Additionally, organisations can develop and conduct their own training programmes specifically designed for this purpose.
- People within the organisation who have conducted business with other countries/cultures can be a valuable resources, as their experience and skills can provide useful information/tips. Official bodies (such as the Foreign Office or Department for Business, Enterprise and Regulatory Reform in the UK) can provide helpful information to organisations engaging in international business activities.

NEGOTIATING INTERNATIONALLY

In this age of the global economy, negotiating across cultures is an inevitable part of doing business for firms desiring to compete internationally. When you are negotiating with a person

from another background, it is important to pay attention to cultural differences in communications, as well as what people expect in terms of the issues. You may not interpret their behavior correctly unless you are aware of different non-verbal expressions or cultural expectations. It is crucial to talk with someone from that culture before you negotiate.

Below are a few of the issues to be kept in mind while negotiating internationally:

- **Relationships** – in many cultures, developing a relationship before discussing issues is crucial. For example, in Spanish cultures, relationships are very important. Having a person who introduces you is helpful. Network with mutual friends before you begin a negotiation. When you start a negotiation in a culture that values interpersonal skills, spend more time on developing the relationship and try to negotiate in person rather than on the phone or email.
- **Time** – the sense of time varies greatly among cultures and with individuals. For example, in Japan, the decision process may move more slowly and any attempt to impose deadlines will be interpreted as inappropriate impatience. North Americans are usually interested in quick action and immediate results. This may also be important in some European cultures. However, these values may not be important for people from other cultures.
- **Language** - If either or both parties do not share the same first language, give time for people to understand what has been said. The language being spoken may be the other party's second or third language. Keep your phrases simple and clear. Don't assume understanding, don't use colloquial expressions, and check to make sure the messages are being heard. If the language is your first language, speak more slowly than you normally would. If possible, have key points written to share later in the discussion.
- **Communication** - In some cultures, it is important to discuss subjects that are unrelated to the negotiations before talking about the issues. This preamble is part of building the relationship, and it would be considered rude to start the negotiation without it. In other cultures, there may be an expectation that the parties will focus on the issues and not reveal other information. For example, Russians are sometimes very careful about what they say, and may revert to speaking in metaphors or symbols, relying on nonverbal communication, and saying less in the preamble phase. At other times, they can be very frank, depending on the situation. Learn about "safe" subjects to discuss while building the relationship, such as books, films or current events.
- **Distance** - It is helpful to negotiate without a desk in between – sitting in comfortable chairs at an angle is less confrontational. However, be aware of how close you can be to a person in talking over issues. In some cultures, space is an important non-verbal cue.
- **Eye contact**- In many Eastern cultures and in the Native American culture, you do not make direct eye contact with a person who is older or has more status. In the U.S. and other cultures, if you do not make direct eye contact, it signals that you are not trustworthy.
- **"Face"** - "Face" means having integrity, respect, and honor. It is especially important in China and other Eastern countries. Face equals a good reputation, which is usually acquired through experience and age. It can be gained by not making mistakes or by compliments given to you by

others. It can be lost by being impatient, rude or making mistakes. Giving truthful compliments to others conveys respect, which is important in all negotiations.

- **Open sharing of information** – sharing some information develops trust.

Sharing of information will vary with both cultures and individuals. If you are negotiating with a competitive person, it is best to share selectively. One U.S. scientist, in a negotiation with French scientists, was pressured to call the funding agency right in the same room, rather than wait. The French scientists wanted to settle the negotiation that day, emphasizing both open information and time constraints.

- **Decision Making** - Be aware that the decision-making processes and time frames may be different. Check with a person from that culture to understand the usual processes before you start the negotiating. Be upfront: “I’m not very familiar with your culture or the decision-making process here – is there anything I should know?”

UNIT V

CROSS CULTURAL TEAM MANAGEMENT

Definitions: 'group' and 'team'

When the members of a team display complementary skills to achieve a certain goal, then we can talk of teamwork. The term 'group' usually refers to two or more individuals who share collective identity and have a common goal. The term 'teamwork' implies a synergy from working together which increases the performance of the work being done.

Types of teams

According to Robbins (2001) there are four types:

1. Problem solving teams
2. Self managed teams
3. Cross functional teams
4. Virtual teams

GROUPS PROCESSES DURING INTERNATIONAL ENCOUNTERS

Trust is a prerequisite for working effectively in a team but this very concept can vary from culture to culture

Cultures also have different assumptions as to the purpose of groups and teams:

To spread information and discuss problems, or to make decisions and take action, or to enable the creation of social relations

Team roles

Two roles which each member of a team must perform:

1. show his professional aptitudes as a specialist in his area (personnel manager or sales manager)
2. demonstrate personal characteristics: play interpersonal role within the team. According to Senge et al. (1995) also need for a trained facilitator helps to clarify how decisions are taken and by whom can improve the team's whole performance

The Belbin model

The Belbin model is an instrument used by many organizations to measure the influence of team member diversity regarding the different roles played in a team at work. The model shows the different stages of development of the team:

1. Identifying needs
2. Finding ideas
3. Formulating plans, executing ideas
4. Establishing team organization
5. Following through the different team roles which should each dominate in a particular stage of development

Develop a global perspective and communicate a corporate culture while paying attention to the needs of the local market. Establish and maintain relations with: with suppliers, sales people and other intermediaries between teams of managers and technical people who work together in locally operating companies in different parts of the world.

Internal interactions at all levels go on at the same time as interactions with the external environment. Therefore need for a global teamwork AND 'pockets' of cross cultural teamwork and interactions that occur at many boundaries. Global management team members share a number of national and professional identities

The group itself will develop properties which are more than the average of the properties of the individuals composing it. Individuals influence group and team life but their behaviour in turn is changed through the dynamics which occur within the group. Cultural differences in terms of what the organization expects from the group how group should operate

These expectations have to be negotiated in terms of both task and process.

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Adler (2002) noted differences between task oriented cultures and relationship oriented cultures when international team members first meet:

Those from task oriented cultures spent little time getting to know each other before getting down to business. Those from relationship oriented spent much more time establishing a personal relationship. It may be more difficult for such teams to build strong relations than single culture teams.

Davison & Ekelund (2004) describe three aspects:

- Task and social processes:

- The task process directly influences team performance
- The social process is related to the ability of the team to work together over a longer time

- Emergent states through interaction, especially

- Mutual trust
- Collective team identity
- Confidence in the team's ability to achieve its tasks'

- Coordinating mechanisms:

- Face-to face/online meetings

UNDERSTANDING AND DEALING WITH CONFLICTS

As modern work contexts are complex and variable, managing conflicts can grow time consuming and challenging. However, conflicts have beneficial, as well as detrimental properties

relating to employees' health and productivity. That is because conflicts help to foster innovative processes and to improve decision-making, which is beneficial and therefore functional. However, detrimental and dysfunctional conflicts can put a strain on employees' well-being and cooperation. Dual concern theory describes possible conflict management strategies in terms of the relation between: the concern for one's own interest, and one's concern for the other party's interest. Besides, common goals, constructive controversy and effective information exchange help preventing detrimental conflicts or at least its respective escalation.

UNDERSTANDING CONFLICTS AT WORK

Firstly, it is useful to gain insight about what is understood as a conflict at work. There are conflicts occurring between individuals or groups of people (e.g. workforce and management), as well as certain types of role conflicts connected to the work context (e.g. when work interferes with family or family interferes with work). **In order to manage workplace conflict, it's important to be able to understand and adjust to each situation and to the preferred conflict style of those involved.** Everybody has a conflict style preference and knowing our own style preference and those of others can really help us manage workplace conflict.

Here are the style definitions:

- **Competing** attacks and likes to argue and debate. This type is competitive, assertive, and uncooperative, and can be threatening and intimidating, causing others to give in to avoid the argument. Competing means "standing up for your rights," defending a position you believe is correct, or simply trying to win.
- **Accommodating** is unassertive and cooperative, and is the complete opposite of competing. Accommodating may yield to another's point of view or give even when h/she believes h/her ideas are better.
- **Avoiding** is unassertive and uncooperative and neither pursues h/her own concerns nor those of others. This type will not commit and is unsure where h/she stands on issues.
- **Collaborating** is both assertive and cooperative and takes a win-win stance in an attempt to work to find a solution that fully satisfies both people. This style approaches conflict with skill and balance, understands the value of positive conflict, and often acts as a mediator.
- **Compromising** is moderate in both assertiveness and cooperativeness. The objective is to find some expedient, mutually acceptable solution that partially satisfies both parties. Compromise gives up more than competing but less than accommodating and is intimidated by direct confrontation. They look to gain consensus or seek a quick middle-ground solution.
- Each of us is capable of using all five conflict-handling modes and no one uses a single style of dealing with conflict. But certain people use some modes better than others and, therefore, tend to rely on those modes more heavily than others—whether because of temperament or practice.
- Understanding your own preferred conflict style and the preferred conflict style of others can really help take some emotion and some personalization out of the conflict. When we understand conflict styles, we hopefully will stop thinking in terms of "I'm right and he's wrong," and take the actions of others less personally. Then we can use the energy we'd normally waste on trying to figure them out to creatively resolve the underlying issues of the dispute. We can also consciously choose to use a different conflict style when the

situation demands it. But this takes practice to use a style that perhaps isn't as comfortable for you as your preferred style. However, you can learn to use different styles effectively and it is worth it to try!

- Once you understand your own preferred style of dealing with conflict, it helps to try and understand the people you work with and how they approach conflict. While it's probably not a great idea to just ask them, if you listen carefully and observe your co-workers, you will probably be able to get a pretty good idea of their conflict mode. Once you're armed with that knowledge (and remember, just like you, other people may use different conflict modes at different times), here are some ideas of how you can work successfully with a person using that particular conflict style or mode:
- **Competing:** If you're working with someone whose style preference is competing, take time to allow them to vent. You will want to be gracious while doing your best to discover what they fear. This is a good place for you to use reflecting listening skills and don't forget that humor may go a long way in getting a competing person to relax and then be able to resolve the conflict.
- **Avoiding:** If you're working with someone whose style preference is avoiding, you will need to be direct and patient while you work to understand their position. You will need to be supportive and allow that person to feel as if they can confront you with their issue.
- **Compromising:** If you're working with someone whose style preference is compromising, active listening skills will be useful as you work to create a supportive environment where the person will feel comfortable. Try describing the impact of their behavior on the situation and allow them to feel as if they can confront you with the issue.
- **Accommodating:** If you're working with someone who is accommodating, you need to try and get them to open up on how they are feeling and what they fear. You need to monitor their energy level since they are susceptible to burnout. Your role is to solicit their input and their feedback because they probably won't offer it willingly.
- **Collaborating:** If you're working with someone whose style preference is collaborating, you and others in your work group will probably learn early on to depend on them in conflict situations since they are skilled at resolving whatever comes up. Watch and learn from them in order to enhance your own abilities to deal with conflict.

THE CONSEQUENCES OF CONFLICTS AT WORK

In this section of the article, the consequences of conflicts in organizations will be considered from the perspective of the employee and the organization. Constructive and destructive aspects will also be presented and discussed. Thus, conflicts can have positive and negative influences as well on several variables – e.g. the employees' well-being and cooperation, turnover rates or overall business success. From the individual's perspective conflicts at work potentially diminish job satisfaction, and psychological well-being as well as physiological well-being. From an organizational perspective turnover and productivity are negatively affected. Specifically affective conflicts have been observed to reduce the individual's information processing performance. As more and more capacity is invested in coping with emotional aspects of the situation, hence productivity and efficiency decline. Enhanced creativity, problem-solving and overall organizational development are constructive aspects of conflicts at work. Non-routine work benefits the most from exchanging and reflecting different views on the specific problem. Discussing opinions in a constructive and respectful fashion gives all parties involved the chance

to learn more about the conflict issues at hand. So not only are decisions on elaborate subjects optimized, but the general interest in the conflict results increases, as does the level of innovation and efficiency. In contrast Routine work is of little benefit, since more standardized work tasks are designed in such a way that they offer fewer opportunities for variation. Therefore, the relationship between work performance and conflict intensity can be conceptualized as inverted U-shape as is shown in Figure

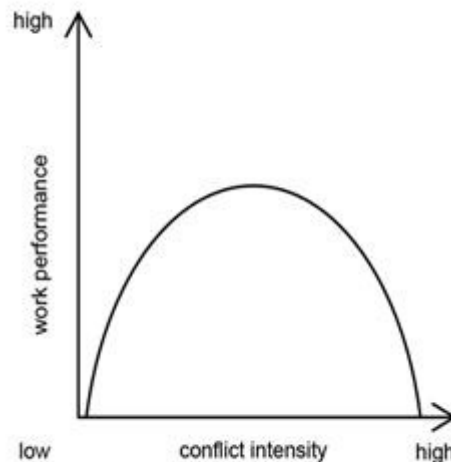


Figure 3: Relationship between conflict intensity and work

DEVELOPING INTERCULTURAL RELATIONSHIPS

Intercultural Relations, sometimes called Intercultural Studies, is a relatively new formal field of social science studies. It is a practical, multi-field discipline designed to train its students to understand, communicate, and accomplish specific goals outside their own cultures. Intercultural Relations involves, at a fundamental level, learning how to see oneself and the world through the eyes of another. It is a broad rather than deep discipline that seeks to prepare students for interaction with cultures both similar to their own (e.g. a separate socioeconomic group in one's own country) or very different from their own (e.g. an American businessman in a small Amazon tribal society). Some aspects of intercultural relations also include, their power and cultural identity with how the relationship should be upheld with other foreign countries. The study of intercultural relations incorporates many different academic disciplines. As a field, it is most closely tied to anthropology and sociology, although a degree program in Intercultural Relations or Intercultural Studies may also include the study of history, research methods, urban studies, gender studies, public health, many various natural sciences, human development, political science, psychology, and linguistics or other language training. Often, Intercultural programs are designed to translate these academic disciplines into a practical training curricula. Graduate programs will also prepare students for academic research and publication.^[5] Especially in today's global and multicultural world, yes, students of Intercultural Relations can use their training in many fields both internationally and domestically, and often pursue careers in social work, law, community development, religious work, and urban development Intercultural relations offers the opportunity to direct you in experiencing and learning about the diverse relations within our world.

Intercultural Communication and Global Business Effectiveness

Is there any large organization whose success is not dependent, at least in part, on the quality of the relationships its leaders and employees maintain with colleagues and customers from unfamiliar backgrounds? Such differences often are framed in terms of national cultures, but they also can involve ethnicity, gender, age – indeed, *any* factor that leads to conflicting values and behavior patterns.

It's true that the profession of intercultural communication originally focused on differences among national cultures. Nevertheless, the competencies that interculturalists developed are applicable to a wide range of situations in which people with deeply held differences must cooperate to attain shared objectives.

Most of the research that has yielded this expertise was carried out – and continues to be carried out – in *global business* contexts. Entire university departments, professional journals, conferences, and globe-spanning consultancies are specifically dedicated to enabling *businesspeople in the international arena* to develop better working relationships and become adaptable global leaders, both at home and abroad.

Grovewell's Contributions to Intercultural Communication

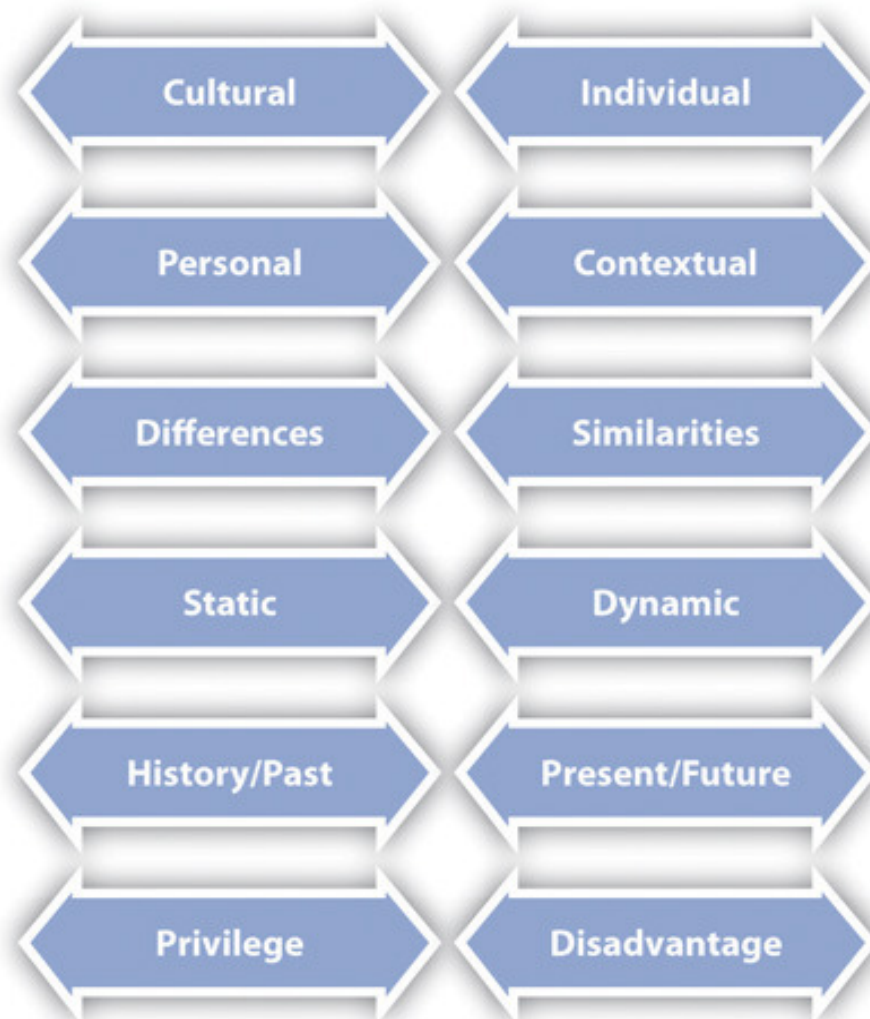
Founded in 1990, GROVEWELL specializes in delivering Global Leadership Solutions to its clients. A small but globe-spanning consultancy, GROVEWELL is unique in that its two founders, who continue today as its owner-operators, are an interculturalist and an anthropologist.

GROVEWELL's associates, who are based in 31 nations on six continents, all have lived outside of their native cultures and have significant experience as leaders in large global businesses. Almost all are bilingual; many are multilingual. GROVEWELL's associates have learned through experience to become effective intercultural communicators, honing their competencies within global business environments.

Whether as facilitators, coaches, or consultants, GROVEWELL's associates know that the most effective methods to help others gain intercultural communication competence are to focus on *culture's intangible features* – assumptions, values, expectations, patterns of behavior, mindsets, etc. – instead of its material and visible features, and to focus on *developing cultural self-knowledge* as much as knowledge of the culture of one's unfamiliar counterparts.

Intercultural communication is complicated, messy, and at times contradictory. Therefore it is not always easy to conceptualize or study. Taking a dialectical approach allows us to capture the dynamism of intercultural communication. A dialectic is a relationship between two opposing concepts that constantly push and pull one another (Martin & Nakayama, 2010). To put it another way, thinking dialectically helps us realize that our experiences often occur in between two different phenomena. This perspective is especially useful for interpersonal and intercultural communication, because when we think dialectically, we think relationally. This means we look at the relationship between aspects of intercultural communication rather than viewing them in isolation. Intercultural communication occurs as a dynamic in-betweenness that, while connected to the individuals in an encounter, goes beyond the individuals, creating something unique. Holding a dialectical perspective may be challenging for some Westerners, as it asks us to hold two contradictory ideas simultaneously, which goes against much of what we are taught in our formal education. Thinking dialectically helps us see the complexity in culture and identity because it doesn't allow for dichotomies. Dichotomies are dualistic ways of thinking that

highlight opposites, reducing the ability to see gradations that exist in between concepts. Dichotomies such as good/evil, wrong/right, objective/subjective, male/female, in-group/out-group, black/white, and so on form the basis of much of our thoughts on ethics, culture, and general philosophy, but this isn't the only way of thinking (Marin & Nakayama, 1999). Many Eastern cultures acknowledge that the world isn't dualistic. Rather, they accept as part of their reality that things that seem opposite are actually interdependent and complement each other. I argue that a dialectical approach is useful in studying intercultural communication because it gets us out of our comfortable and familiar ways of thinking. Since so much of understanding culture and identity is understanding ourselves, having an unfamiliar lens through which to view culture can offer us insights that our familiar lenses will not. Specifically, we can better understand intercultural communication by examining six dialectics(see below figure "Dialectics of Intercultural Communication") (Martin & Nakayama, 1999).



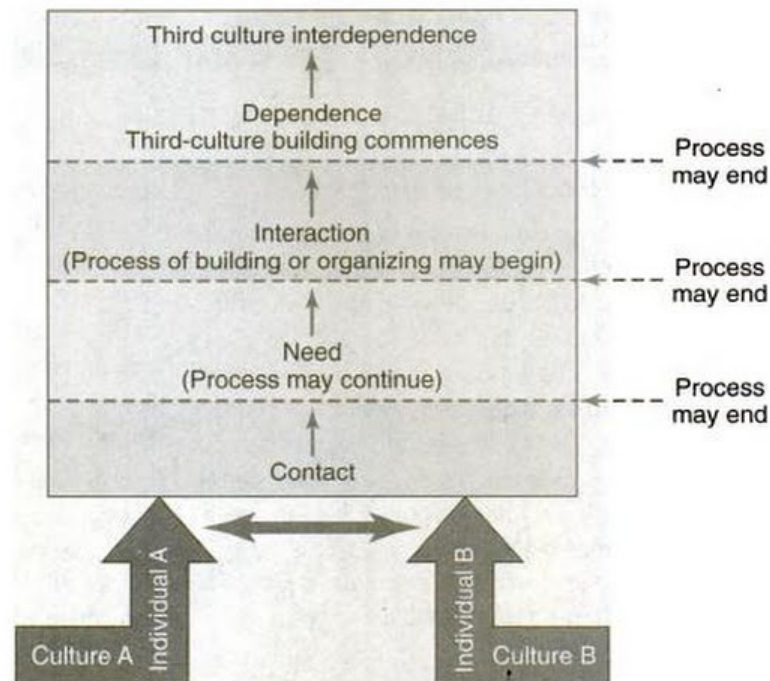


Figure 18.2 A dialogic communication model of third-culture building

Source: Casrnir (1999): 109.

The building process he describes takes account of the dynamic, changing, developing nature of the communication event. Figure 18.2 is the model devised by Casrnir to visualize the process.

A model such as this can account for the evolutionary nature of intercultural interaction. Rather than focus on culture A and B, using etic categories, i.e. generalizations about larger entities, the emphasis should be on what actually happens when individuals 'representing' these cultures come together.

As Figure 18.2 indicates, any initial contact between the people involved may not progress because of many possible reasons, including fear, lack of time, or simply lack of skills for dealing with 'outsiders'. If, however, a mutual need is perceived, communication may continue,

Casrnir's emphasis on the dialogic nature of third-culture building reflects ideas discussed elsewhere in this book:

- The notion of transcultural competence, described in Chapter 5, involves being able to reconcile seemingly opposing values and developing a dynamic equilibrium, an integration of values through synergy. The reconciliation approach opens the door to a third dimension.
- The nature of intercultural interaction, described in Chapter 13. Such interaction is not to be seen just in terms of a set of relations between the cultures, but also as a dynamic process whereby the cultures are defined both through their own characteristics as well as through their interaction with each other.
- The notion of crisis transformation described in Chapter 17 has to do with coming to terms with the underlying causes of cross-cultural conflict through collaborative dialogue, thereby enabling transformations to occur at personal, social and structural levels.

These ideas, including Casrnir's, focus less on static comparisons between cultures and more on dynamic interaction between individuals from different cultures; less on the categorizations of cultures and more on the process of cultural transformation among people in a collaborative dialogue. People coming together, entering into dialogue and creating a togetherness form the basis of Casrnir's concept of building a third culture. Rather than focusing on the dichotomies that come from the distinction between 'self' and 'other', he argues, people can build something that is eventually 'theirs':

... something which sooner or later becomes part of the changes which help new or changed cultures and their societal structures to emerge from it. To put it in other words, such changes can help assure our survival as humans.

Casrnir, 1999: 113