

MUNI
ECON

MPH_AIMA
International
Management



update

16.2.	The global business environment	
23.2.	Cross cultural communication	
2.3.	The global business environment	ABB
9.3.	Cross-cultural Communicaton	FNZ
16.3.	Global HR	
23.3.	Developing global managers and teams	Zebra Technologies
6.4.	Developing strategy, entry modes, mergers and acquisitions	
13.4.	Acquisition	SIKA
20.4.	Organising for global operations	
27.4.	Global structure, cross cultural communication, aquisition	Atlas Copco
4.5.	<i>To be confirmed</i>	Idea statica/Hartmann-Rico
11.5.	NO CLASSES	



Sli.do

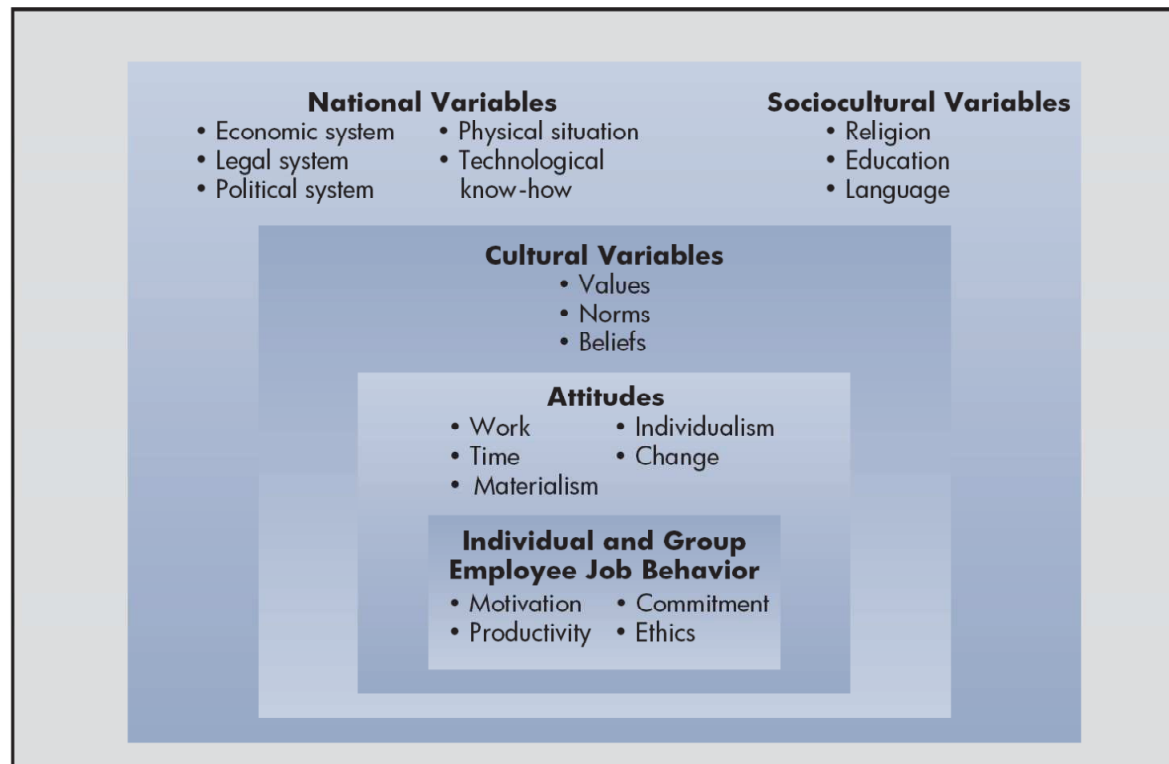
#1611934

Introduction

- Toray
- Hyundai



Environmental variables affecting management functions



What is culture

1. Shared system of values, which as a process leads to automatic solutions of often repeated problems (Schroll-Machl)
2. A set of learnt behaviour, collection of opinions, customs and traditions shared among group of people... (Mead)
3. A set of shared attitudes, values, goals, and practices that characterizes an institution, organization or group (Wikipedia)

Culture...

- A set of shared values, understandings, assumptions, and goals that are learned from earlier generations, imposed by present members of a society, and passed on to succeeding generations

Organisational culture

- Exists within and interacts with societal culture
- Varies a great deal from one organization, company, institution, or group to another
- Represents those expectations, norms, and goals held in common by members of that group

McDonald's in Russia

The Effect of Culture on Organizational Process

U.S. Culture	Alternative	Function Affected
Individual influences future	Life is preordained	Planning, scheduling
The environment is changeable	People adjust to the environment	Morale, productivity
Hard work leads to success	Wisdom and luck are also needed	Motivation, rewards
Employment can be ended	Employment is for a lifetime	Promotions, recruitment

Culture's Effects on Management

- **Convergence** - the phenomenon of the shifting of individual management styles to become similar to one another
- **Self-Reference Criterion** - the subconscious reference point of one's own cultural values. Many people in the world understand and relate to others only in terms of their own cultures.
- **Parochialism** - occurs, for example, when a Frenchman expects those from or in another country to automatically fall into patterns of behavior common in France
- **Ethnocentrism** - describes the attitude of those who operate from the assumption that their ways of doing things are best—no matter where or under what conditions they are applied

Hofstede's Value Dimensions

Power Distance

- The level of acceptance by a society of the unequal distribution of power in institutions

Uncertainty Avoidance

- The extent to which people in a society feel threatened by ambiguous situations

Individualism

- The tendency of people to look after themselves and their immediate families only and to neglect the needs of society

Collectivism

- The desire for tight social frameworks, emotional dependence on belonging to “the organization,” and a strong belief in group decisions

Long term orientation

Indulgence

Hofstede's Value Dimensions

Power Distance

- The level of acceptance by a society of the unequal distribution of power in institutions

Uncertainty Avoidance

- The extent to which people in a society feel threatened by ambiguous situations

Individualism

- The tendency of people to look after themselves and their immediate families only and to neglect the needs of society

Collectivism

- The desire for tight social frameworks, emotional dependence on belonging to “the organization,” and a strong belief in group decisions

- **Long term orientation**

- **Indulgence**

Hofstede's Value Dimensions

– <https://www.hofstede-insights.com/fi/product/compare-countries/>

TASK: Compare cultures of you and your neighbor; deduce managerial impacts (motivation, negotiation, behaviour, productivity, flexibility, etc.)

Hall's Cultural dimensions

- Communication context
- Proximity
- Time

Trompenaars' Cultural dimensions

Cultural differences come from:

- Attitude to time (1 dimension)
- Attitude to the environment (1)
- Attitude to other people (5)

Problems with application

1. One dimension contains more aspects
2. Point of view
3. Judgements

Expatriate management

- Case reading Kelly's assignment in Japan

MUNI
ECON

Communication across cultures

Why to concern?

- Outsourcing to India – case
- Delegation of work - France

Cultural Noise in the Communication Process

Behavior	Attribution
<i>American: "How long will it take to finish this report?"</i>	<i>American: I asked him to participate.</i> <i>Greek: He is the boss. Why doesn't he tell me?</i>
<i>Greek: "I don't know, How long should it take?"</i>	<i>American: He refuses to take responsibility.</i> <i>Greek: I asked for an order.</i>

Cultural Variables in Communication

Three major parts in human face to face communication:

1. 55% of impact is determined by body language—postures, gestures, and eye contact,
2. 38% by the tone of voice, and
3. 7% by the content or the words used in the communication process.

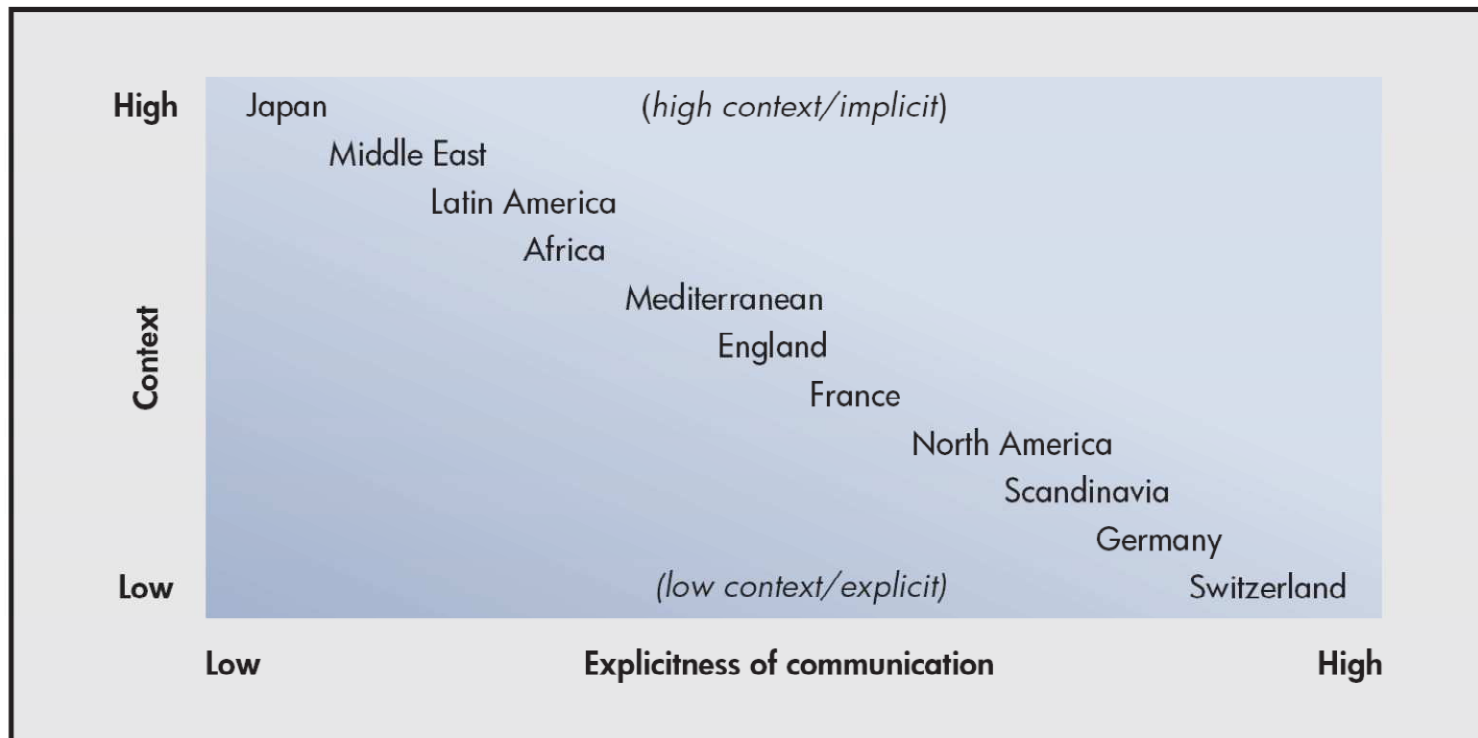
Nonverbal communication

- “A picture is worth a thousand words.”
- Subtle messages account for between 65 to 93 percent of interpreted communication.
- Minor variations in body language, speech rhythms, and punctuality often cause mistrust and misperception of the situation among cross-cultural parties.

The Media for Nonverbal Communication

- **Kinesic behavior** - communication through body movements
- **Proxemics** - the influence of proximity and space on communication—both personal space and office space or layout
 - High-contact cultures: prefer to stand close and to experience a “close” sensory involvement
 - Low-contact cultures: have a “distant” style of body language
- **Paralanguage** - how something is said rather than the content
- **Object language/material culture** - the way we communicate through material artifacts (e.g. presents!)

Context

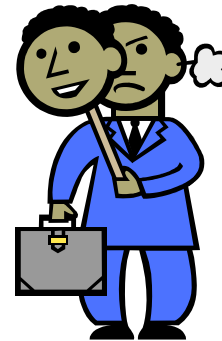


Management Focus: Oriental Poker Face

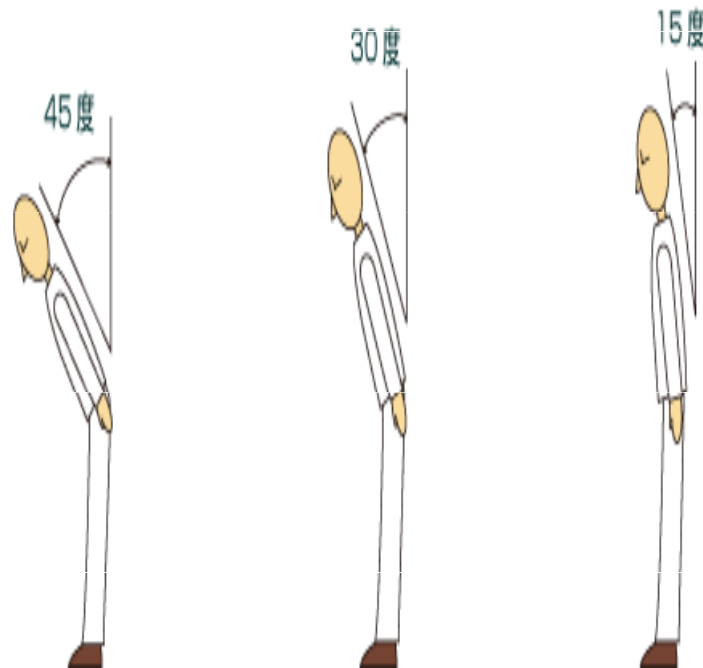
- “Oriental poker face” and “idiotic Asian smile”



- American mask of confidence



Management focus - Bows in Japan



Czech cultural standards

- Relationships orientation (prefer relationships to material aspect)
- Underestimating structures (love for improvisation)
- Simultaneity (parallel work)
- Control aims people not rules
- Diffusion culture
- High communication context
- Avoiding conflicts
- Variable self-confidence



Recommendations

- Develop cultural sensitivity
 - Anticipate the meaning the receiver will get.
- Careful encoding
 - Use words, pictures, and gestures.
 - Avoid slang, idioms, regional sayings.
- Selective Transmission
 - Build relationships, face-to-face if possible.
- Careful decoding of feedback
 - Get feedback from multiple parties.
 - Improve listening and observation skills.
- Follow-up actions

Staffing approach

Questions?

?

?

?

?

?

?

?

?

?

?

?

?

?

?

?

?

?

Thank you for your attention!