

Integrating Culture and Management

A major challenge of doing business internationally (be it structuring your organization, establishing foreign relations, selling, or getting the work done) is to adapt effectively to different cultures. Such adaptation requires an understanding of cultural diversity, perceptions, stereotypes, and values.

Because different cultures exist in the world, an understanding of the impact of culture on behavior is critical to the study of international management. If international managers do not know something about the cultures of the countries they deal with, the results can be quite disastrous.

The **GLOBE** (Global Leadership and Organizational Behavior Effectiveness) project reflects an additional approach to measuring cultural differences. The GLOBE project identified nine cultural dimensions and extends and integrates previous analyses of cultural attributes and variables from researchers such as Geert Hofstede, Michael Bond, and Fons Trompenaars.

A quick overview (Table-1) illustrated below, shows a great deal of cultural diversity around the world. But thanks to the nine GLOBE dimensions, we have more precise understanding of *how* cultures vary. Closer study reveals telling cultural *patterns*, or cultural fingerprints for nations.

For example, the United States (US) managerial sample, for instance, scored high on assertiveness and performance orientation. Accordingly, Americans are widely perceived as pushy and hardworking. Switzerland's high scores on uncertainty avoidance and future orientation help explain its centuries of political neutrality and world-renowned banking industry. Singapore is known as a great place to do business because it is clean and safe and its people are well educated and hardworking. This is no surprise, considering Singapore's high scores on social collectivism, future orientation, and performance orientation. In contrast, Russia's low scores on future orientation and performance orientation could foreshadow a slower than hoped for transition from a centrally planned economy to free enterprise capitalism.

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Table -1

Countries Ranking Highest and Lowest on the GLOBE Cultural Dimensions			
Dimension	Description	Highest	Lowest
Power distance	Defined as the degree to which members of an organization or society expect and agree that power should be unequally shared	Morocco, Argentina, Thailand, Spain, Russia, South Korea, India	Denmark, Netherlands, South Africa-black sample, Israel, Costa Rica
Uncertainty avoidance	Defined as the extent to which members of an organization or society strive to avoid uncertainty by reliance on social norms, rituals, and bureaucratic practices to alleviate the unpredictability of future events	Switzerland, Sweden, German-former West, Austria, Japan, Spain	Russia, Hungary, Bolivia, Greece, Venezuela, Denmark, Great Britain
Societal collectivism	Refers to the degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective action	Sweden, South Korea, Japan, Singapore, Denmark	Greece, Hungary, Germany-former east, Argentina, Italy
In-group collectivism	Refers to the degree to which individuals express pride, loyalty, and cohesiveness in their organizations or families	Iran, India, Morocco, China, Egypt, Indonesia, Pakistan	Denmark, Sweden, New Zealand, Netherlands, Finland, United States (US), Canada, Australia
Gender egalitarianism	Defined as the extent to which an organization or a society minimizes gender role differences	Hungary, Poland, Slovenia,	South Korea, Egypt,

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	and gender discrimination	Denmark, Sweden	Morocco, India, China
Assertiveness	Defined as the degree to which individuals in organizations or societies are assertive, confrontational, and aggressive in social relationships	Germany-former East, Austria, Greece, United States (US), Spain	Sweden, New Zealand, Switzerland, Japan, Kuwait
Future orientation	Defined as the degree to which individuals in organizations or societies engage in future-oriented behaviors such as planning, investing in the future, and delaying gratification	Singapore, Switzerland, Netherlands, Canada-English speaking, Denmark	Russia, Argentina, Poland, Italy, Kuwait
Performance orientation	Refers to the extent to which an organization or society encourages and rewards group members for performance improvement and excellence	Singapore, Hong Kong, New Zealand, Taiwan, United States (US)	Russia, Argentina, Greece, Venezuela, Italy
Humane orientation	Defined as the degree to which individuals in organizations or societies encourage and reward individuals for being fair, altruistic, friendly, generous, caring, and kind to others	Philippines, Ireland, Malaysia, Egypt, Indonesia	Germany-former West, Spain, France, Singapore, Brazil

* Source: Adapted from M Javidan and R J House, "Cultural Acumen for the Global Manager: Lessons from Project GLOBE," *Organizational Dynamics*. Spring 2001, pp 289-

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