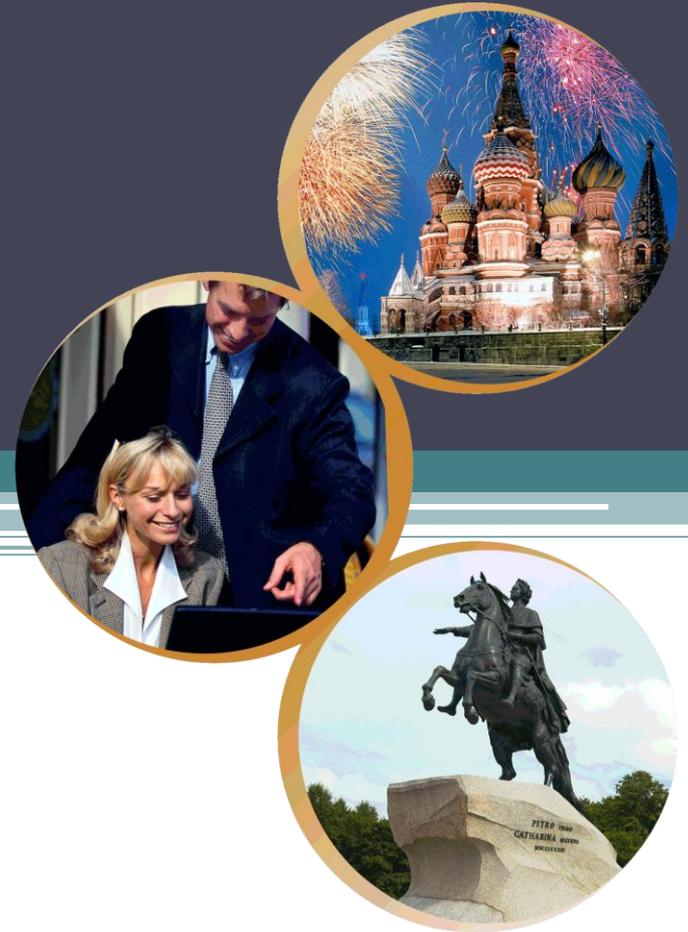


CROSS-CULTURAL MANAGEMENT

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Goal of the course

- To examine and to analyze the main theoretical frameworks and models in cross-cultural management
- To develop competences and practical skills for effectively managing across cultures and borders:
 - Cultural competence
 - Communicative competence

Learning outcomes

After the course students will:

- Increase cross-cultural awareness;
- Understand and adequately interpret culturally conditioned managerial behaviors, attitudes and values;
- Obtain skills for establishing relationships with potential international business counterparts in future;
- Be able to effectively communicate across cultures.

Objectives

- **Recognize When Culture Counts**
 - Understand how culture affects business
- **Know Yourself & Others**
 - Utilize tools to increase awareness of both your own and your potential foreign colleagues cultural profiles and business styles
- **Identify & Bridge Gaps**
 - Gain knowledge of local cultures & business practices
 - Analyze impact of cultural “gaps” between you and your potential international colleagues
 - Identify strategies to make more informed decisions

Fundament of the course

The course is based on the modern theory and applications of:

- cross-cultural management
- business anthropology
- cultural studies
- communication studies

Program of the course

- I. Culture as an embedded institution: advantages and disadvantages for international business and management
- II. Culturally adaptive strategies for managing across cultures and borders

I. Culture as an embedded institution

- Culture as an advantage and limitation in the international business and management.
- Conceptual models in CCM.
- Competency model. National cultural profiles. Cultural Dimensions.
- Russia and Finland: general overview and comparative analysis. Core values and assumptions, implications for business.

I. Culture as an embedded institution

- Issues in contemporary cross-cultural management: corporate culture, managerial style, leadership, professional skills and cultural competences of managers.

Culturally adaptive organizational strategies for managing across cultures

- Culturally adaptive organizational strategies for doing business across cultures: internal and external functions.
- Cultural know-how and knowledge transfer as a core competence of a company.
- Intercultural marketing: business anthropology perspective.

Culturally adaptive strategies for managing across cultures

- Personal strategies for effectively working and communicating across cultures:
- dealing with culture shock,
- building relationships,
- obtaining information,
- giving and receiving feedback.

Format:

- 15 hours
- Lectures
- Discussions
- Case exercises
- Video
- Case as a final exam

Final Exam

Individual written case analysis

Criteria for evaluation:

- To demonstrate knowledge of theoretical foundations of the course
- An ability to apply them to the case analysis.
- To reflect upon the readings and use them as a guide for analysis.
- To apply cross-cultural skills and competences gained within the course to the case analysis.
- To proactively think.

Readings

- For reflecting and thinking on each topic, discussing in class, applying to case analysis in final exam
- To use as a fundament for further research and activities

Contact info:

Assignment and final exam are to be emailed:

ipshenichnikova@relataglobal.com

Subject line: MITIM CCM Fall 09

Why Culture Matters in Business ???



*“Despite popular beliefs
to the contrary,
the single greatest barrier
to business success
is the one erected by
culture”*

E.T. Hall and M.R. Hall

Why Culture Matters in Business

Why it Matters?

- We know our own business culture values and norms
- We may presume that what works “here” works everywhere
- Our perception and interpretation of the other person can be negative or judgmental and may affect business in a negative way

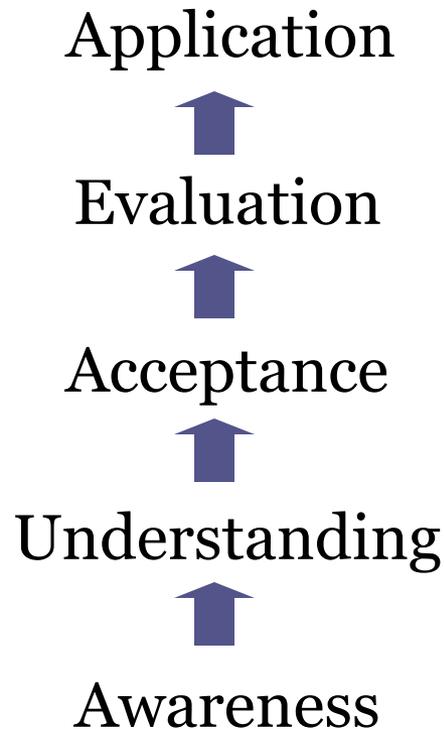
Cross-Cultural Management Implications

- Not only *do's & don'ts*; also to know yourself & others and uncover the “why” behind the behavior
- Individuals interacting, not countries
- Recognizing similarities and differences, then applying appropriate solutions and strategies

Reason behind X-Culture

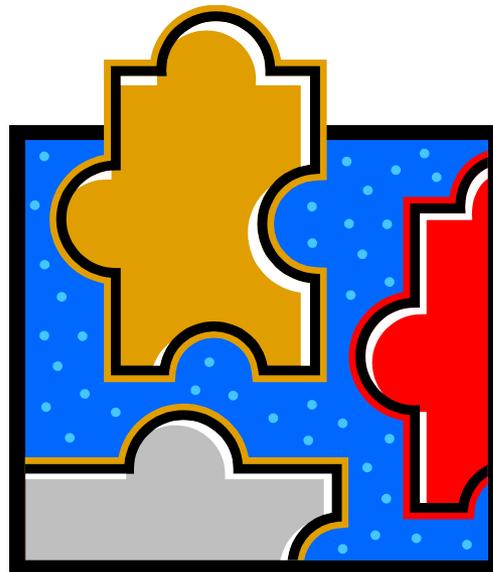
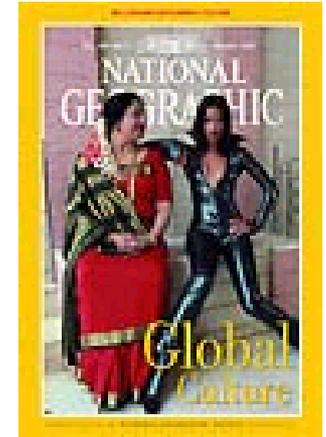
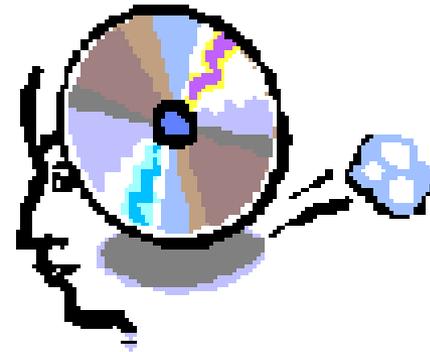
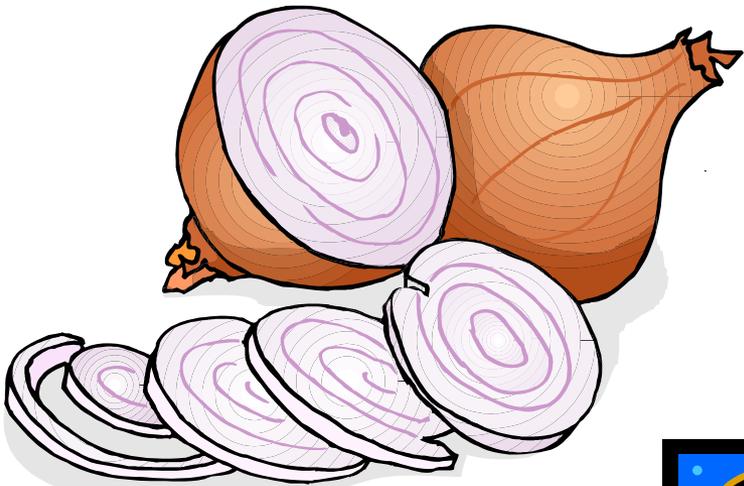
- Soft issues in management
- People Management
- Talent development and retainment
- Cultural know-how as a core competence of a company
- Cultural and communicative competence as a key-competence of human capital
- Factor of effectiveness and competitiveness of the company
- Localization of products

Approach to Culture



- **“What”** – be aware, understand and accept Cultural Differences
- **“So What”** - evaluate the Impact
- **“Now What”** – develop and apply Strategies

What is culture?



Culture Defined



Culture is the shared ways in which groups of people understand and interpret the world.

– Fons Trompenaars
Riding the Waves of Culture

[Culture] is the collective programming of the mind which distinguishes the members of one group ... from another.

– Geert Hofstede
Cultures and Organizations

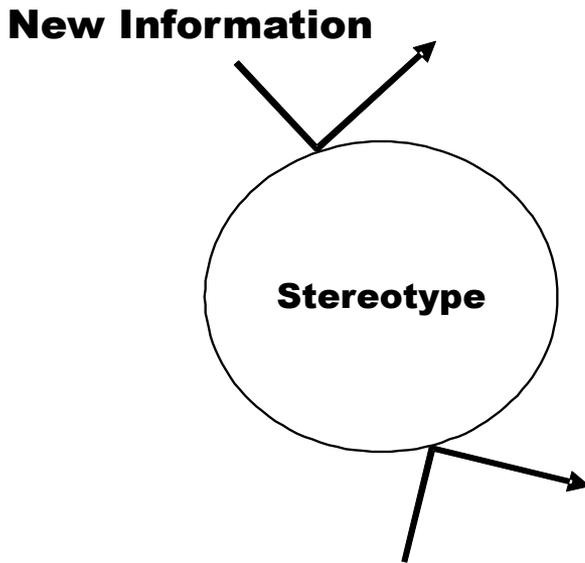
Culture hides more than what it reveals, and strangely enough what it hides, it hides most effectively from its own participants.

– Edward Hall
The Silent Language

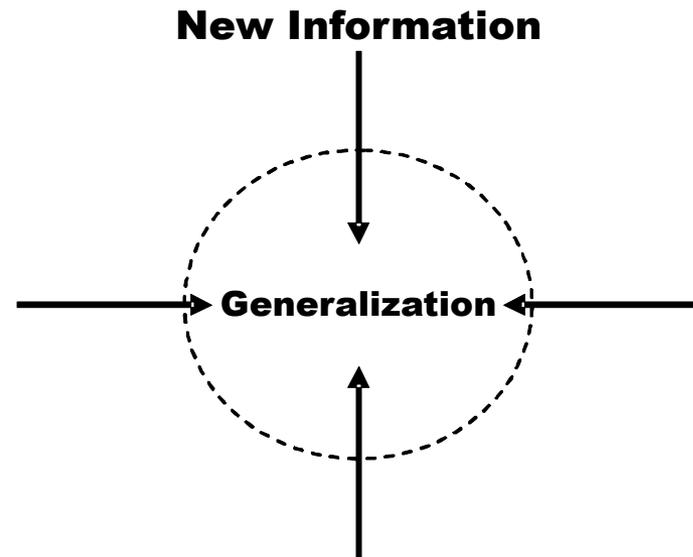
On stereotypes and typizations

- Give some examples (words, associations) of what Russians or other nationals are.
- What do you notice about these words?

Stereotypes vs. Generalizations

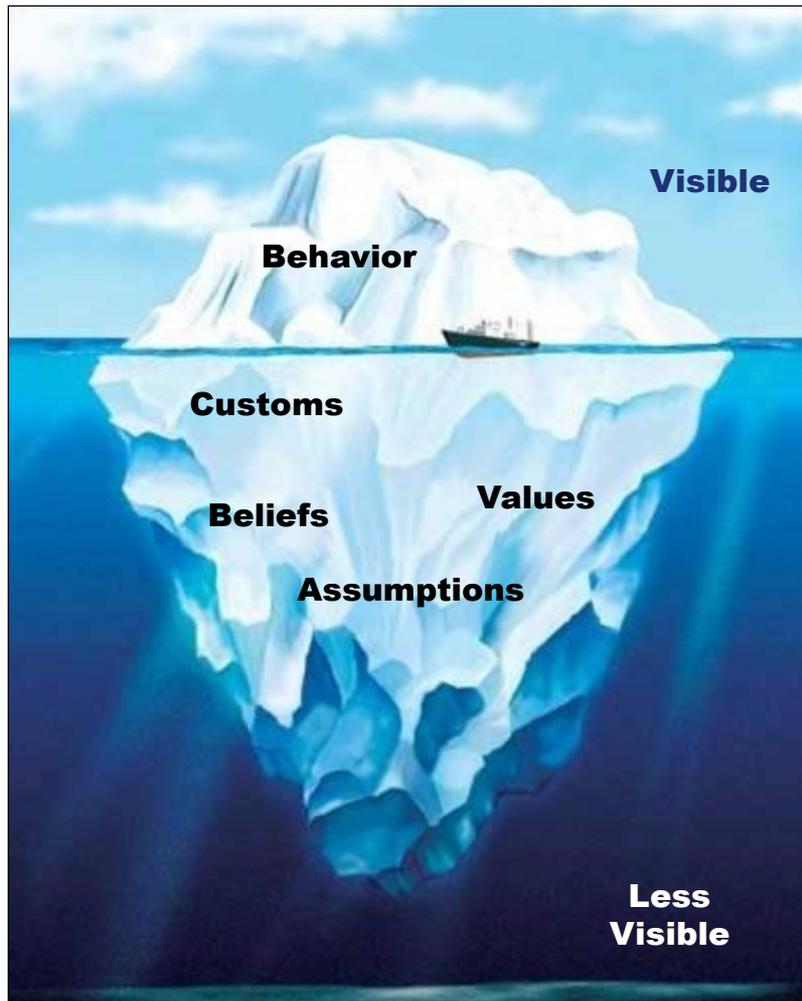


A fixed, oversimplified opinion
or superficial judgment



A principle, statement or idea
having general application

Culture as an Iceberg



Culture Influences:

- Work Patterns
- Socializing Outside of Work
- Views of Gender-appropriate Behavior
- Concepts of Right and Wrong
- Ways of Handling Problems or Disagreements
- Interaction Between Leaders and Subordinates
- Communication and Meeting Styles

Cross-Cultural Management: Conceptual Models

A decorative graphic consisting of a solid teal horizontal bar that spans the width of the slide. Below this bar, on the right side, there are several horizontal lines of varying lengths and colors (teal, light blue, white) that create a stepped, layered effect.

Geert Hofstede's 5 Cultural Dimensions ²⁶

A model to assist with differentiating cultures:

1. Power Distance (PDI)
2. Individualism (IDV)
3. Masculinity (MAS)
4. Uncertainty Avoidance (UAV)
5. Long Term Orientation (LTO)



For more information: <http://www.geert-hofstede.com>

THE SEVEN CULTURAL DIMENSIONS OF FONS TROMPENAARS ²⁷



- Dutch Anthropologist
- 15 years of academic and field research involving 30 countries and 30,000 participants
- 75% participants belong to management & 25% administrative

for more information: <http://www.7-dculture.nl/>

Trompenaars's Model of Culture: 7 Cultural Dimensions

28

1) Universalism vs Particularism

What is more important; rules or relationships?

2) Individualism vs Collectivism

Do you see yourself as an individual or as part of a group?

3) Specific vs Diffuse

Are you subjective or objective when it comes to dealing with others?

4) Neutral vs Affective

How much do you display your emotions?

7 Cultural Dimensions

29

5) Achievement vs Ascription

Should one gain recognition by doing things well or based on their status?

6) Sequential vs Synchronic

Do you do things one at a time or do you do several things at the same time?

7) Inner-directed vs Outer-directed

Do you attempt to control your environment or do you work within it?

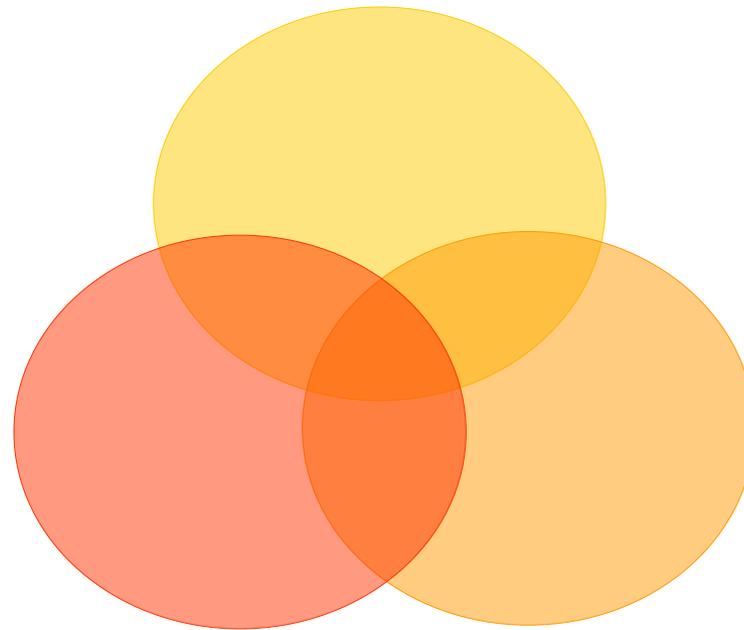
Work Place Culture

30

National

Professional/
Personal

Corporate



Challenges of Working Across Cultures and Borders

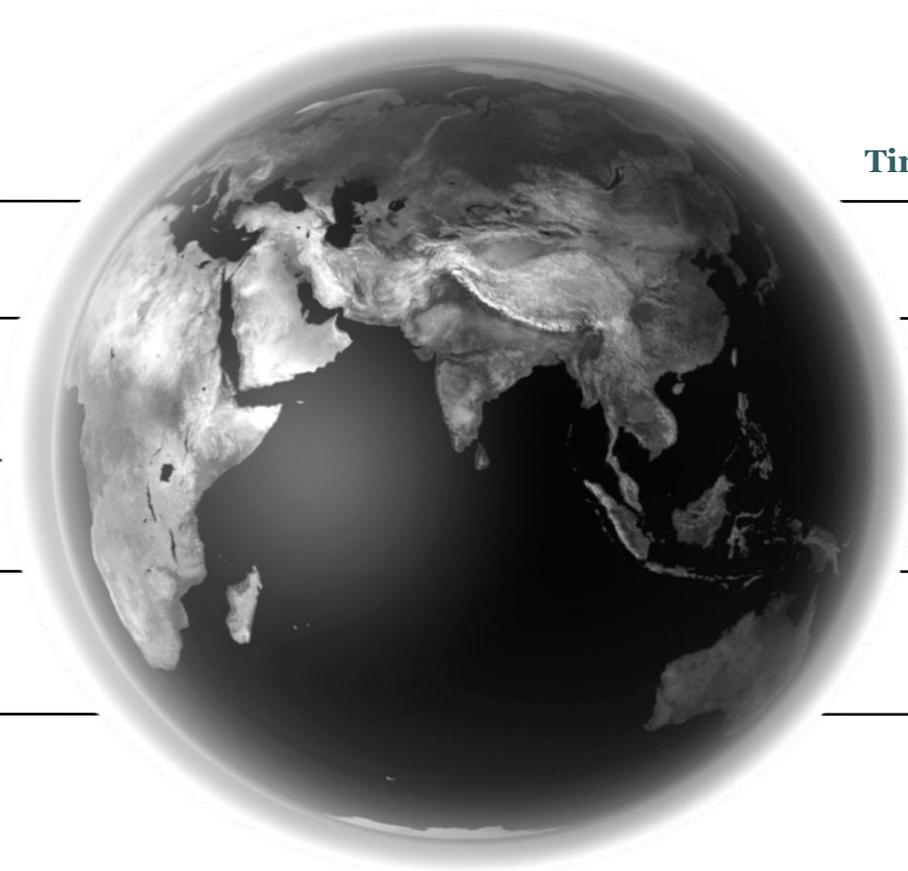
Language Barrier

Business Protocol

Virtual Communication

**Meeting Deadlines
and following agreements**

**Achieving an Effective
Global-Local Balance**



Time zones and distances

**Different Expectations
about Team Work**

**Building Relationships
across cultural
differences**

**Solving Problems and
Conflict resolution**

Decision Making

Global Challenges

- Consider the challenges you might face working in a global environment.
- From the items above, select 2 areas that could be the greatest challenges for you and circle them.
- Turn to the person next to you and share examples of the challenges that you could face related to this topic.
- Be ready to report to the group.

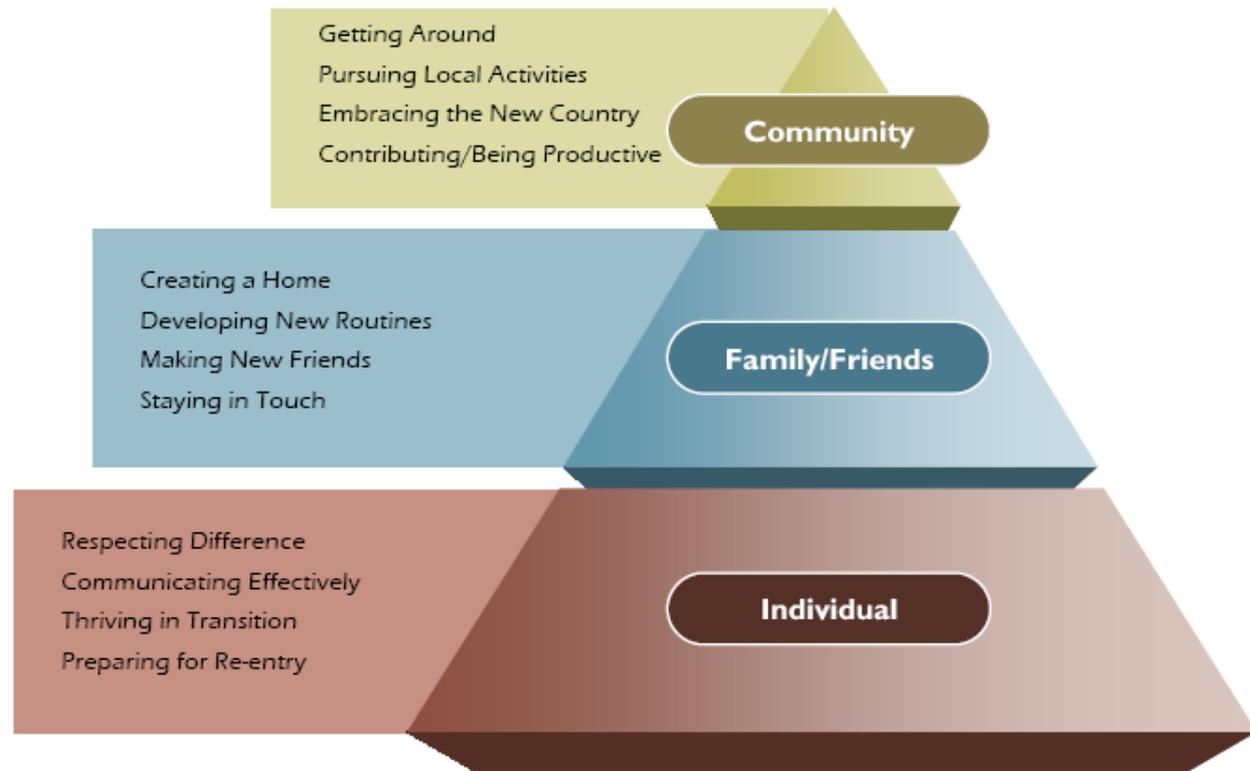
People Global Skills



E. Gundling (2003) Working GlobeSmart

Global Expatriation Skills

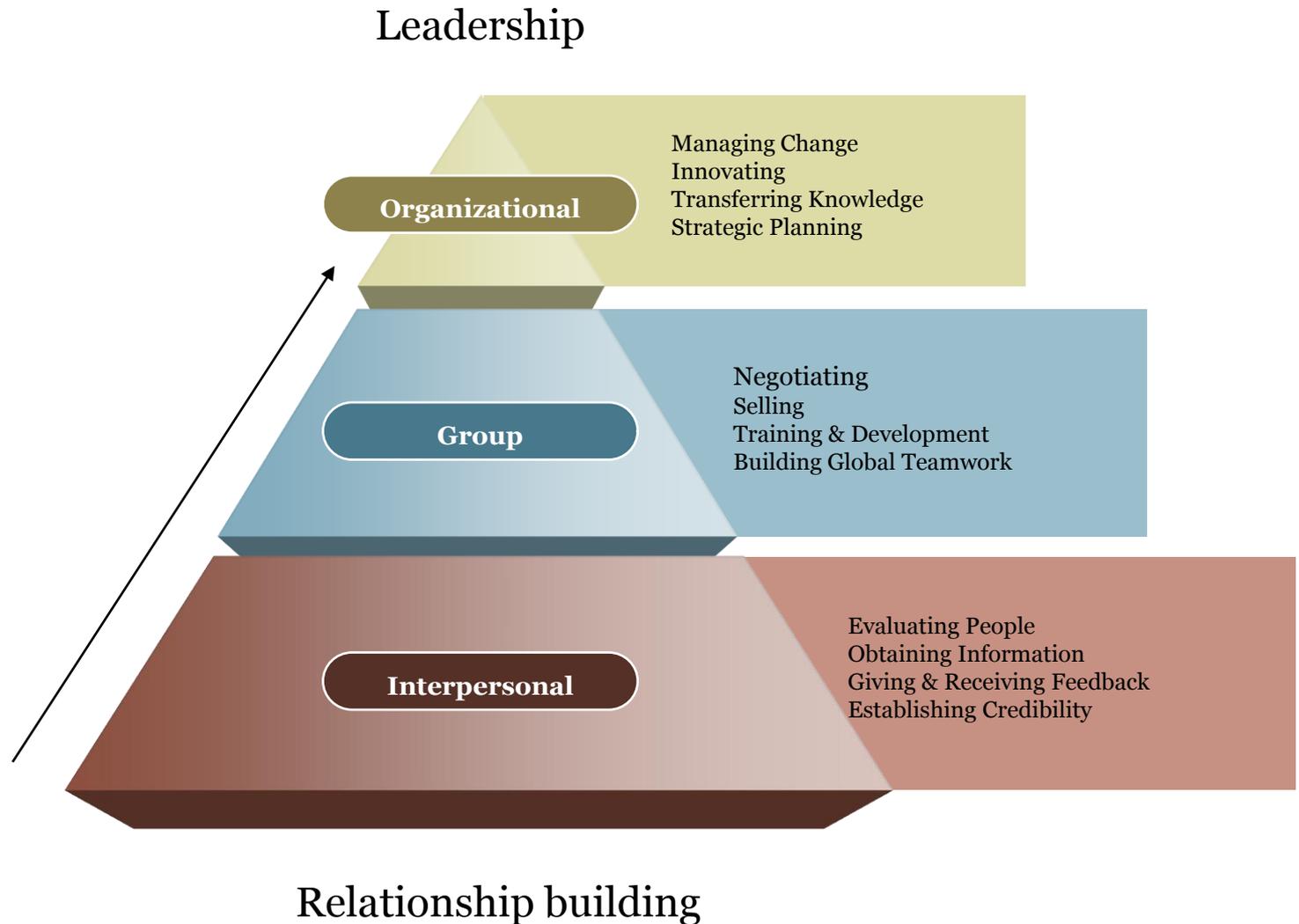
SUCCESSFUL INTEGRATION



BUILDING RELATIONSHIPS

Global Skills Pyramid

(E.Gundling. Working GlobeSmart. 2003)



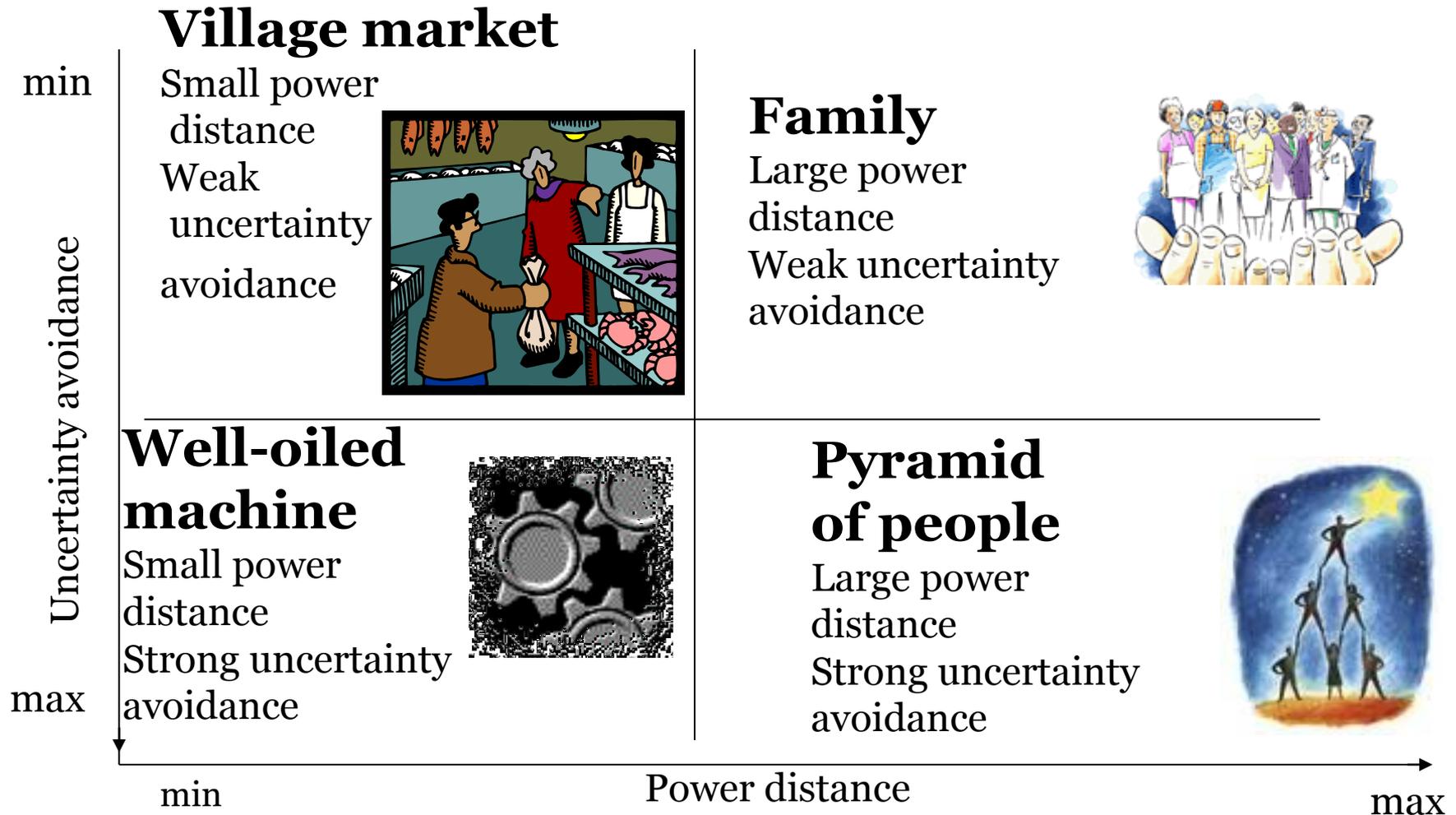
Dimensions of Cultural Differences for the Current Course

- Individualism - Collectivism
 - Egalitarianism - Status
 - Task – Relationship Orientation
 - Time: Linear - Fluid
 - Control – Adaptation towards Environment
-
- Direct – Indirect Communication Style
 - Low- High Context Communication Style
 - Low – High Comfort with Silence

Culture and Organization



Geert Hofstede



Resource-based model of the firm: cross-cultural approach

(N. Holden)

Cultural knowledge

Cultural know-how

as

**an organizational capability
and core competence
of the company**

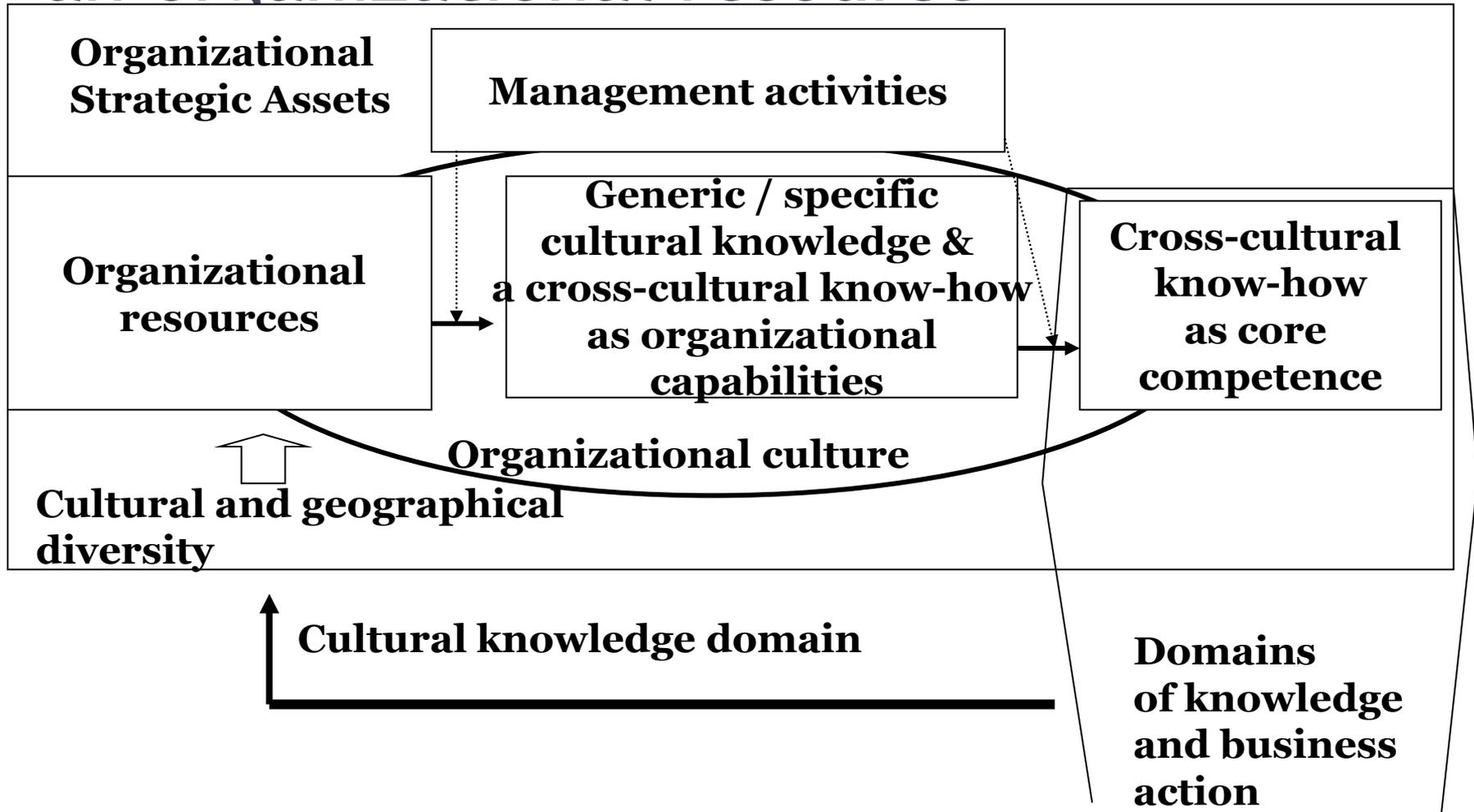
Cultural competence

Communicative competence

as

key competence of managers

Model of cultural knowledge as an organizational resource



ROCOLOR: Doing business in Middle East

(www.rocolor.ru)

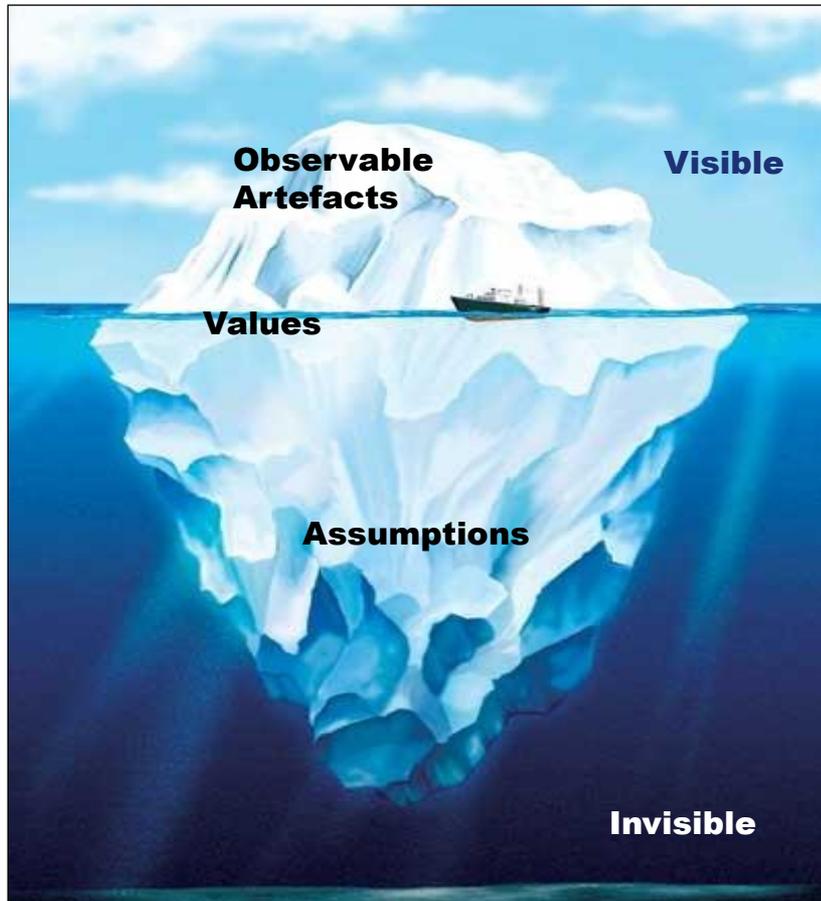
Product: Hair Color

Strategy: Entering the Middle East Market



Implementation mechanism: the specialist with the key competences

Edgar Shein: Iceberg of Organizational Culture



Organizational culture –

a set of basic assumptions – shared solutions to universal problems of external adaptation (how to survive) and internal integration (how to stay together) – which have evolved over time and handed down from one generation to the next (E.Schein, 1985)

Organizational culture:

- Gives a sense of identity
- Promotes commitment
- Enhances stability
- Makes sense of behavior