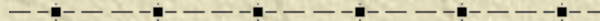


Global Manager

Lecture 4



What is management? Some definitions

- Coordination and control of people, material, and processes to achieve organizational objectives as efficiently and effectively as possible.
- Getting things done through coordinated efforts.
- Planning, organizing, leading and controlling.

IS MANAGEMENT UNIVERSAL?

1. Are these definitions of management universal or do they vary across different geographic regions?
2. If these definitions are universal, how might their implementation vary across national and regional boundaries?

What Is Leadership?

- **Leadership has been defined as the ability to persuade others to seek set objectives enthusiastically (Robbins, 1998).**
- **.....“is the ability to influence, motivate and contribute towards the effectiveness of the organizations of which they are members” (House and Wright, 1997).**

Project GLOBE

- **GLOBE (Global Leadership and Organizational Behavior Effectiveness)**
 - attempt to develop an empirically based theory to describe, understand, and predict the impact of specific cultural variables on leadership and organizational processes and the effectiveness of these processes

- The GLOBE project conceived in 1991 by Robert J. House of the Wharton School of the University of Pennsylvania. The GLOBE Project directly involved 170 “country co-investigators” based in 62 of the world’s cultures as well as a 14-member group of coordinators and research associates. This international team collected data from 17,300 middle managers in 951 organizations.

Nine Basic Cultural Dimensions from the GLOBE Project

- *Power distance*
 - How much unequal distribution of power should there be in organizations and society?
- *Uncertainty-avoidance*
 - How much should people rely on social norms and rules to avoid uncertainty and limit unpredictability?

Nine Basic Cultural Dimensions from the GLOBE Project

- *Institutional collectivism*
 - How much should leaders encourage and reward loyalty to the social unit, as opposed to the pursuit of individual goals?
- *In-group collectivism*
 - How much pride and loyalty should individuals have for their family or organization?

Nine Basic Cultural Dimensions from the GLOBE Project

- *Gender egalitarianism*
 - How much effort should be put into minimizing gender discrimination and role inequalities?
- *Assertiveness*
 - How confrontational and dominant should individuals be in social relationships?
- *Future orientation*
 - How much should people delay gratification by planning and saving for the future?

Nine Basic Cultural Dimensions from the GLOBE Project

- *Performance orientation*
 - How much should individuals be rewarded for improvement and excellence?
- *Humane orientation*
 - How much should society encourage and reward people for being kind, fair, friendly, and generous?

- How do different countries score on the GLOBE cultural dimensions?

A quick overview shows a great deal of cultural diversity around the world.

Countries Ranking Highest and Lowest on the GLOBE Cultural Dimensions

Dimension	Highest	Lowest
Power distance	Morocco, Argentina, Thailand, Spain, Russia	Denmark, Netherlands, South Africa—black sample, Israel, Costa Rica
Uncertainty avoidance	Switzerland, Sweden, Germany—former West, Denmark, Austria	Russia, Hungary, Bolivia, Greece, Venezuela
Institutional collectivism	Sweden, South Korea, Japan, Singapore, Denmark	Greece, Hungary, Germany—former East, Argentina, Italy
In-group collectivism	Iran, India, Morocco, China, Egypt	Denmark, Sweden, New Zealand, Netherlands, Finland
Gender egalitarianism	Hungary, Poland, Slovenia, Denmark, Sweden	South Korea, Egypt, Morocco, India, China
Assertiveness	Germany—former East, Austria, Greece, United States, Spain	Sweden, New Zealand, Switzerland, Japan, Kuwait
Future orientation	Singapore, Switzerland, Netherlands, Canada—English speaking, Denmark	Russia, Argentina, Poland, Italy, Kuwait
Performance orientation	Singapore, Hong Kong, New Zealand, Taiwan, US	Russia, Argentina, Greece, Venezuela, Italy
Humane orientation	Philippines, Ireland, Malaysia, Egypt, Indonesia	Germany—former West, Spain, France, Singapore, Brazil

GLOBE

- The project included the development of a research protocol including a questionnaire to **measure culturally endorsed implicit leadership theory**, as well as interviews and focus groups designed to elicit information about the **perceived attributes of ideal leaders**.

Based on a 7-point scale and the "world mean" of each scale (i.e., the average of 61 country means), the 21 leadership scales ranked from the "most *universally* desirable" to "the least *universally* desirable" as follows:

Integrity (6.07)
Inspirational (6.07)
Visionary (6.02)
Performance-oriented (6.02)
Team-integrator (5.88)
Decisive (5.80)
Administratively competent (5.76)
Diplomatic (5.49)
Collaborative team orientation (5.46)
Self-sacrificial (5.0)
Modesty (4.98)

Humane (4.78)
Status conscious (4.34)
Conflict inducer (3.97)
Procedural (3.87)
Autonomous (3.85)
Face saver (2.92)
Non-participative (2.66)
Autocratic (2.65)
Self-centered (2.17)
Malevolent (1.80).

These 21 leadership scales were statistically and conceptually reduced to six scales, resulting in six leader styles:

- charismatic
- team oriented,
- humane,
- participative,
- autonomous,
- self-protective.

- **Charismatic leaders** are visionary, inspirational, decisive, and performance oriented, and they have high levels of personal integrity.

Stresses high standards, decisiveness, and innovation; seeks to inspire people around a vision; creates a passion among them to perform; and does so by firmly holding on to core values.

- **Team-oriented leaders** are team builders, and they are collaborative and diplomatic.

Instills pride, loyalty, and collaboration among organizational members; and highly values team cohesiveness and a common purpose or goals

- **Humane leaders** are generous, compassionate, modest, and patient.

Stresses compassion and generosity; and it is patient, supportive, and concerned with the well-being of others

- **Participative leaders** act in a nonautocratic and nondictatorial manner, they delegate, and they behave in an egalitarian way.

Encourages input from others in decision-making and implementation; and emphasizes delegation and equality

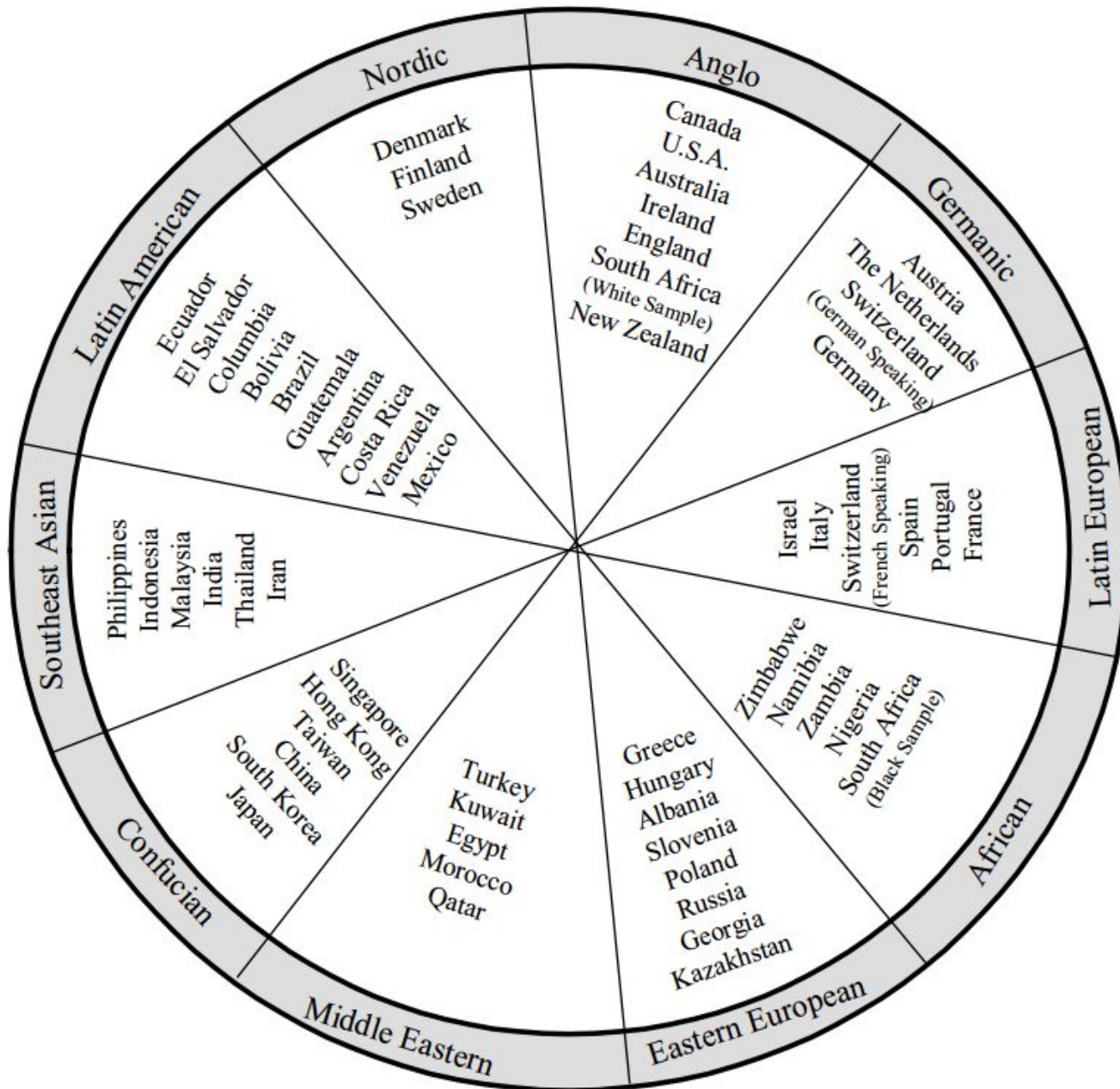
- **Self-protective leadership** – involves being self-centered, face saving, and procedural.

Style emphasizes procedural, status-conscious, and 'face-saving' behaviors; and focuses on the safety and security of the individual and the group

- **Autonomous leaders** are individualistic and independent.

Style is characterized by an independent, individualistic, and self-centric approach to leadership

Country Clusters According to GLOBE



- Next table groups the country clusters from Figure according to the degree to which they prefer each of the six leader styles.
- Societal clusters grouped together at the higher or lower end or in the middle differ significantly from the other groups of clusters, but not from each other.
- There are no statistically significant differences for the *team-oriented* and *autonomous* styles across all clusters

Performance Oriented	Team Oriented	Participative	Humane	Autonomous	Self or Group-Protective
<i>Higher</i>	<i>Higher</i>	<i>Higher</i>	<i>Higher</i>	<i>Higher</i>	<i>Higher</i>
Anglo Germanic Nordic SE Asian L. European L. American	SE Asian Confucian L. American E. European African L. European Nordic Anglo Middle Eastern Germanic	Germanic Anglo Nordic	SE Asian Anglo African Confucian	Germanic E. European Confucian Nordic SE Asian Anglo African Middle Eastern L. European L. American	Middle Eastern Confucian SE Asian L. American E. European
Confucian African E. European		L. European L. American African	Germanic Middle Eastern L. American E. European		African L. European
Middle Eastern		E. European SE Asian Confucian Middle Eastern	L. European Nordic		Anglo Germanic Nordic
<i>Lower</i>	<i>Lower</i>	<i>Lower</i>	<i>Lower</i>	<i>Lower</i>	<i>Lower</i>
Performance Oriented	Team Oriented	Participative	Humane	Autonomous	Self or Group-Protective

Cluster	most effective	least effective
In the South Asia cluster (India, Indonesia, the Philippines, Malaysia, Thailand, and Iran)	charismatic and team-oriented leadership models	autonomous and self-protective leaders
Anglo cluster (Australia, Canada, the United Kingdom, Ireland, New Zealand, and South Africa [white sample])	charismatic, team oriented, and participative	autonomous and self-protective leadership models
Eastern European cluster (Albania, Georgia, Greece, Hungary, Kazakhstan, Poland, Russia, and Slovenia)	charismatic, team-oriented leadership, participative leadership	self-protective
Germanic European cluster (Austria, Germany, the Netherlands, and Switzerland)	team-oriented, participative, humane	autonomous leadership

Cluster	most effective	least effective
Latin European cluster (Italy, Portugal, Spain).	charismatic, team-oriented, and participative	humane, autonomous, and self-protective leadership
Arabic cluster (Qatar, Morocco, Turkey, Egypt, and Kuwait).	team-oriented, charismatic	self-protective

Building Global Management Skills

Managerial Competencies

Planning, coordination,
and control within a
culture

Global Management Skills

Integration of
management and
cross-cultural
skills

Multicultural Competencies

Understanding and
working effectively
across cultures

Types of Global Managers

	Expatriates managers	Frequent flyers managers	Virtual managers
Management Focus	<ul style="list-style-type: none"> •Long-term •Live in foreign country 	<ul style="list-style-type: none"> •Short term •Frequent visits 	<ul style="list-style-type: none"> •Remote •Work through technology
Mode of communication	Mostly face to face	Mixed face-to-face and virtual	Mostly virtual
Key success factors	<ul style="list-style-type: none"> •Deep knowledge of local culture •Local language •Local business environment •Global business issues 	<ul style="list-style-type: none"> •Multilingual skills important •Deep understanding of global issues 	<ul style="list-style-type: none"> •Some understanding of cultural differences and variation in business practices •Multilingual skills useful
Cultural challenge	<u>Regional myopia</u> : overemphasis of local versus global	<u>Global myopia</u> : overemphasis of global versus local	<u>Technological myopia</u> : ignore role of culture

Key multicultural competencies

A cosmopolitan outlook

Intercultural communication skills

Cultural sensitivity

Rapid acculturation skills

Flexible management style

Preparing for a Foreign Assignment



- **Expatriate**

- refers to anyone living and/or working outside their home country

The Foreign Assignment Cycle

Home Country Experiences

1. Selection and training
“Unrealistic expectations”

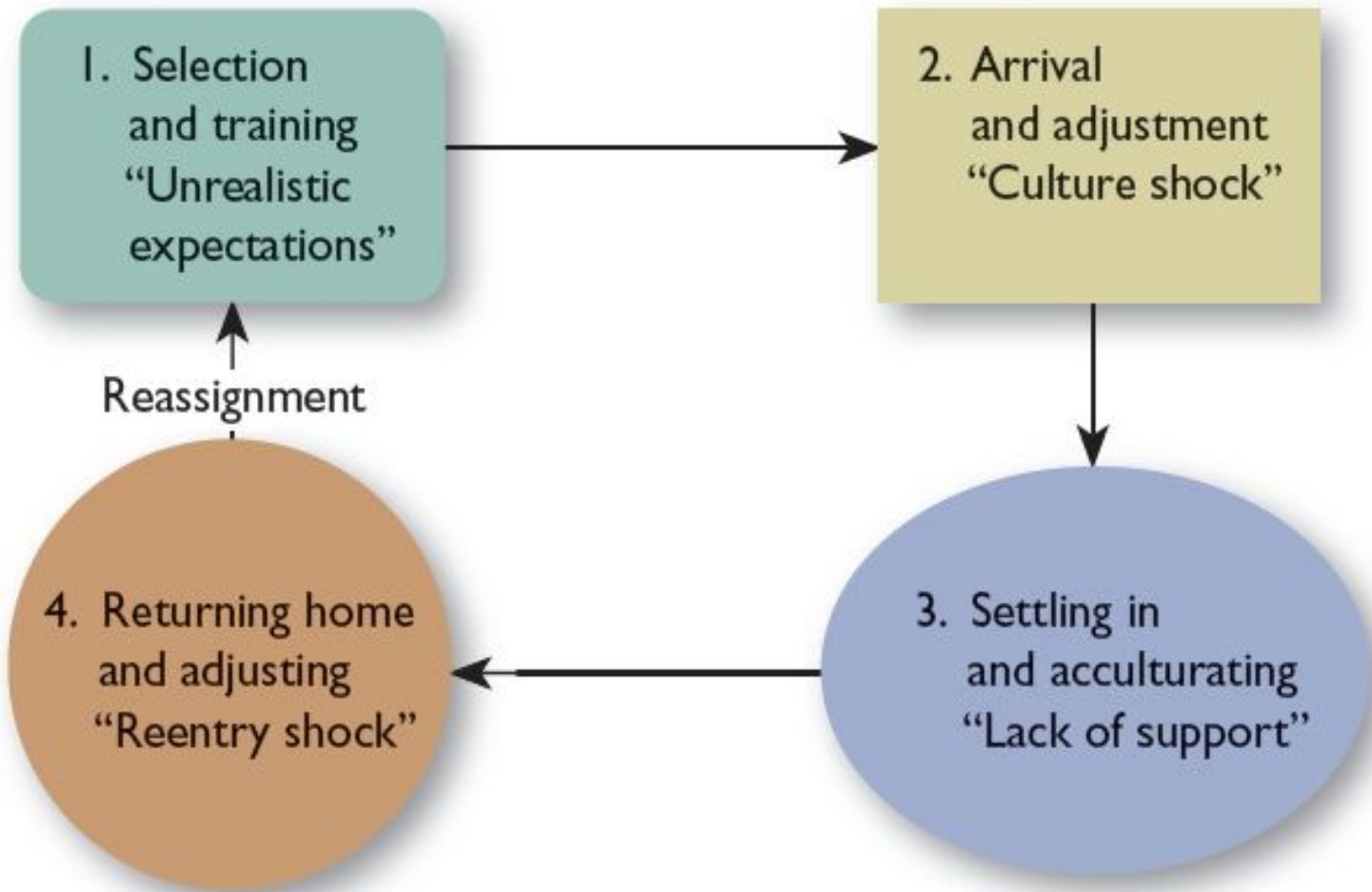
Reassignment

4. Returning home and adjusting
“Reentry shock”

Foreign Country Experiences

2. Arrival and adjustment
“Culture shock”

3. Settling in and acculturating
“Lack of support”



Culture Shock

- anxiety and doubt caused by an overload of new expectations and information
- This is a normal reaction to a new environment where you are no longer in control as you have been at home.
- Best defense is comprehensive cross-cultural training, including intensive language study



Symptoms of culture shock

People differ greatly in the degree to which culture shock affects them, but almost everyone is affected by it in one way or another. Symptoms vary, but can include:

- boredom
- feeling isolated or helpless
- sleeping a lot or tiring easily
- suffering from body pains and aches
- longing to be back home
- unduly criticizing local customs or ways of doing things

Stages of culture shock

- The five stages of culture shock are:

1. The Honeymoon Stage - You are very positive, curious, and anticipate new exciting experiences. You even idealize the host culture.

Stages of culture shock

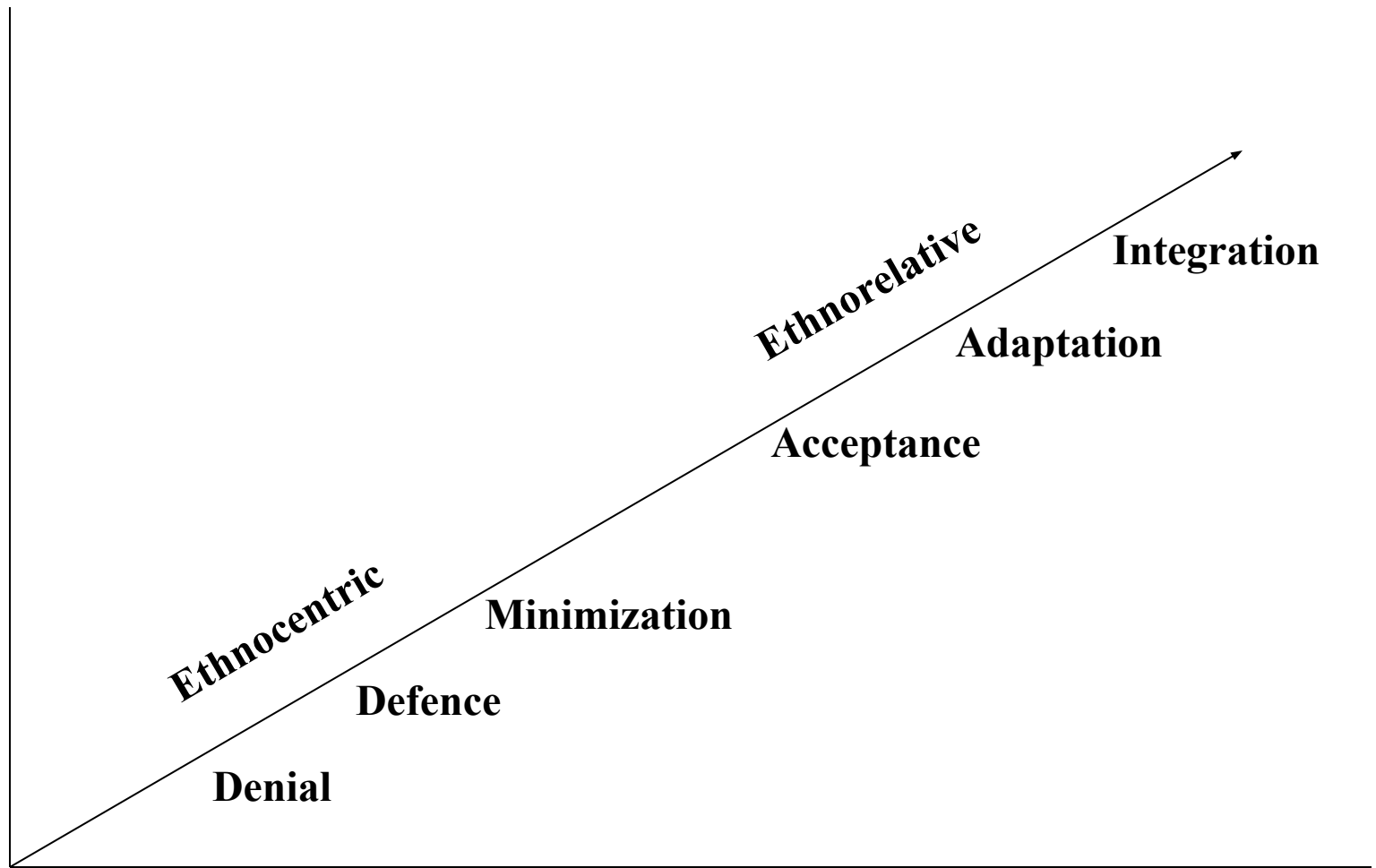
2. Irritability - You start to feel that what is different is actually inferior. The host culture is confusing or the systems are frustrating. It's a small step from saying that they do things in a different way to saying that they do things in a stupid way. You may blame your frustrations on the new culture (and its shortcomings) rather than on the adaptation process.

Stages of culture shock

- 3. Gradual Adjustment** - You feel more relaxed and develop a more balanced, objective view of your experience.
- 4. Mental isolation**
- 5. Adaptation** - You feel a new sense of belonging and sensitivity to the host culture.

Stages of culture shock

- **Re-entry Shock** - You go home and it isn't what you expected it to be.



**Developmental Model of Intercultural Sensitivity
(DMIS) Milton Bennett (1986, 1993).**

The progression from cultural ignorance to understanding has four distinct stages:

1. **Cultural ignorance exists** when individuals have no knowledge of cultural differences. Businesspeople at this stage are liabilities to their companies and may do more harm than good on overseas assignments.
2. **Cultural awareness takes place when people know there are cultural differences and are looking for them.** Businesspeople at this stage are less likely to commit social or cultural blunders.
3. **Cultural knowledge is an extension of cultural awareness.** Businesspeople at this stage know how to offer appropriate greetings (i.e., the bow of Japan) and what behaviors to expect in foreign markets. They observe, catalog, and analyze foreign behaviors and look for the reasons behind them.
4. **Cultural understanding occurs when businesspeople not only know what behaviors are appropriate, but also understand why those behaviors are correct for that culture.** Individuals at this stage are often fluent in the local language and are aware of the behavioral and attitudinal subtleties of a culture.

Ethnocentrism

Ethnocentrism

- **Ethnocentrism** is judging another culture solely by the values and standards of one's own culture. Ethnocentric individuals judge other groups relative to their own ethnic group or culture, especially with concern for language, behavior, customs, and religion. These ethnic distinctions and subdivisions serve to define each ethnicity's unique cultural identity. Ethnocentrism may be overt or subtle, and while it is considered a natural proclivity of human psychology, it has developed a generally negative connotation .
 - belief that one's native country, culture, language, and behavior are superior to all others.

Research Insight and Dealing with Ethnocentrism

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

The Role of the Expatriate Spouse

We began to realize that the entire effectiveness of the assignment could be compromised by ignoring the spouse.

—Steve Ford, Corporation Relocations, Hewlett-Packard

- Research on 321 American expatriate spouses shows effective cross-cultural adjustment is more likely
 - When the firms seek the spouse's opinion about the international assignment
 - When the spouse initiates his/her own pre-departure training

Preparation Adaptation, and Repatriation

- Effective HRM ends with the successful repatriation of the executive into company headquarters
- Companies must prepare to minimize the potential effects of reverse culture shock
- Ineffective repatriation practices are clear – few managers will be willing to take international assignments

Preparation Adaptation, and Repatriation

- A mentor program to monitor the expatriate's career path while abroad and upon repatriation
- As an alternative to the mentor program, the establishment of a special organizational unit for the purposes of career planning and continuing guidance for the expatriate
- A system of supplying information and maintaining contacts with the expatriate so that he or she may continue to feel a part of the home organization.

Successful International Assignments

1. Be sure that repatriation is an explicit part of your international assignment plan.

A major reason for repatriate dissatisfaction and turnover is upon their return no positions were available for them.

Their new skills and experiences were under appreciated and not utilized.

Successful International Assignments

2. Identify, establish, and maintain communications with sources of ongoing support in your home country.

Many repatriates complain that they became disconnected and out of the loop while away.

They felt that their opportunities were limited once they returned because nobody was looking out for them while they were away (e.g., manager, mentor, or career coach).

Successful International Assignments

3. Confirm that senior management openly and genuinely values international expertise.

For instance, be certain that international expertise is considered and matters when identifying candidates for future opportunities.