

# Instructor's Manual

## Understanding Cross-Cultural Management

Third edition

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## Introduction

This guide offers a range of resources which allows instructors to use the book more efficiently and effectively. It does not prescribe how the book should be used, but presents materials which instructors can incorporate into their particular teaching/learning environment.

The guide consists of:

**Suggested answers to questions relating to the activities:** each chapter of the book contains activities of various kinds as well as final activities at the end of each part. Where necessary, this guide suggests either appropriate responses to the questions asked, or refers to extra information available on internet which the instructor/student can use to develop a response.

Some of the ‘answers’ given in the guide, therefore, are less to do with giving a ‘correct’ response on the basis of applied theory, and more to do with suggesting how a particular problem, dilemma or event can be addressed. Such suggestions are in no way to be seen as comprehensive: instructors may well, on the basis of their own experiences and insights, consider other approaches to be preferable.

Each activity addressed is numbered as in the book and arranged in three parts, also as in the book.

### **Other tasks: our pedagogical approach**

There are a number of other tasks which students are asked to complete:

- a) **Questions within the text:** there are questions which relate to illustrative mini-cases within the concepts of each chapter. These questions are specific to the text that the student has just read. These questions aim to encourage analysis of, and reflection on, the reading material.
- b) **Points for reflection** given at the end of each chapter encourage students to go beyond their knowledge of the subject-matter and apply their skills to aspects of cross-cultural management.

In pedagogical terms, these tasks, particularly the points for reflection, allow learners to reflect on the insights which they have gained from the concepts and activities and to exchange thoughts, ideas and opinions with fellow-students.

These moments of reflection can be facilitated through organising a discussion in small groups, with each group presenting their ideas and opinions to the other groups in a plenary session.

- c) **Suggestions regarding assessments:** The instructor may consider using the *points for reflection* at the end of each of the book's chapters as a basis for essay-writing for assessment work or exams. Some parts of the *activities* and final activities could also be used for the same purpose. Some examples:
- Activity 6.2
  - Activity 9.2 question 3
  - Activity 15.2
  - Final activity A1.1 task 3 C
  - Final activity A2.1 question 4
  - Final activity A3.2 (including of questions and answers from the second edition)

There is also a PowerPoint slide presentation available on the Instructor Resource Centre at [www.pearsoned.co.uk/browaeys](http://www.pearsoned.co.uk/browaeys) which provides a ready-made presentation for each chapter of the book, which can be used in class and edited to suit your needs.

## **PART 1**

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# **Culture and management**

## Determinants of culture

### Activity 1.1 (book pages 24–26)

#### Examining an organisational culture in context

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#### Questions and possible responses

**1. What are the reasons for these politicians advocating the concept of a ‘partnership’ company?**

- It is a model for economic and organisational reform, owned by the staff and managed on democratic principles.
- They think that too few people have capital, so they need more individuals to have a real stake in their firms.

**2. What are the arguments against this form of partnership?**

- No guarantee of success
- Management system tends towards bureaucracy
- Employee-ownership impedes expansion and hinders productivity improvements.

**3. Using the Schein’s definition, try and detect the assumptions in the article with regard to a) external adaptation (how to survive), and b) internal integration (how to stay together).**

*a) External adaptation:*

An assumption concerning the financial sector and the stock market in the case you want to sell your family firm:

- Financial adviser would say: ‘sell it in a trade sale or float it on a stock market’, but never ‘sell it to an employee trust’. There is an obstacle to change in this sector.

*b) Internal integration:*

Two assumptions concerning productivity of the employees if applying the three elements of the formula (participative management style, employee ownership and profit sharing) in the company:

- Productivity can increase if the three elements together are applied.



## Activity 1.2 (book pages 26–27)

### Foreign influences: Expats force locals to ask who they are

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#### Questions and possible responses

1. **How would you describe the national identity of the UAE? How do they distinguish themselves from other Arab countries?**
  - Loss of national identity. But still Muslim. The emirates 'were initially Arab or Muslim, or from similar cultures'.
  - Today, most foreigners come from the West, Russia or the Balkan countries. They are not aware of the culture of the UAE.
  - Not opposed to foreign nationalities or use of the English language – 'but this must not be instead of our nationality, and our language, and our identity'.
  - Expatriates are a part of the country: 'There was a need for integration and dialogue between expatriates and locals'.
  
2. **What do you think the inhabitants there need to do to 'preserve their own identity'?**
  - Someone in the article suggests 'promoting national cultures through such activities as desert camps, traditional dance, fishing and diving trips, and visit to elders'.
  - There are some initiatives being taken to help preserve national identity: 'the UAE social development programme works with schools and universities to strengthen Emirati identity among young'.
  - Another person in the article proposes 'making Arabic the main language for communication'.

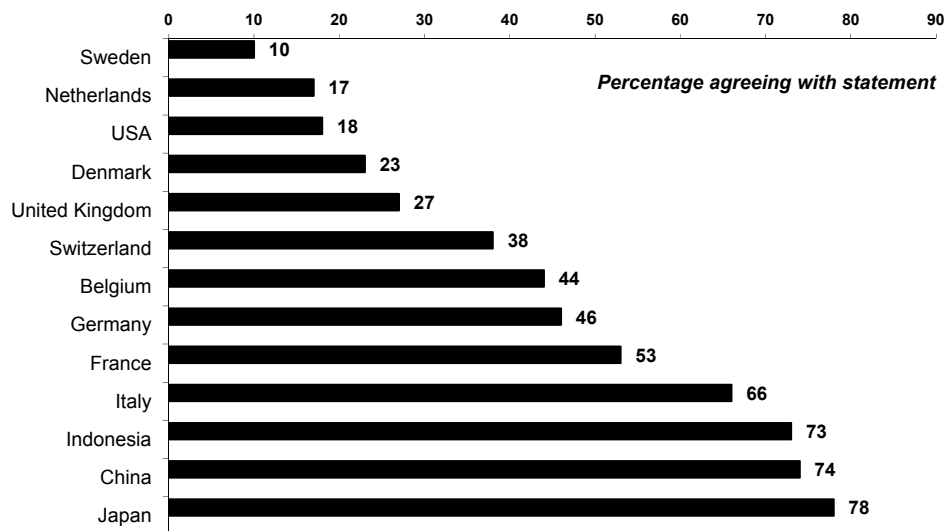
## Activity 1.3 (book pages 28–29)

### The role of the manager

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‘It is important for a manager to have at hand precise answers to most of the questions that his subordinates may raise about their work’.

Examine the results and answer the questions below Figure 1.1



**Figure 1.1** Should a manager have precise answers?

*Source:* based on figures given in Laurent, 1983: 86)

### Questions and possible responses

1. Using the percentages given in the above figure, how would you characterise the attitudes of Swedes, Germans and Japanese towards the role of the manager in an organisation?

The reactions to this dilemma (as given in Figure 1.1) show clear differences between countries. North European and Anglo-Saxon countries, for example, see managers more as problem-solvers, while Latin and Asian countries see them more as experts.

**2. How would you describe the research method Laurent used?**

In the article from which the figures used in Figure 1.1 are taken, Laurent explains the methodology used for his research. See pages 77–79 in: Laurent, A. (1983) 'The cultural diversity of western conceptions of management', *International Studies of Management and Organization* 13 (1–2): 75–96.

Read these pages before asking for answers to the question.

## Dimensions of culture: Hofstede and GLOBE

### Activity 2.1 (book pages 50–52)

#### Masters of collaboration

#### Questions and possible responses

1. ‘Individualism’ and ‘Uncertainty Avoidance’ are the two dimensions proposed by Hofstede which are mentioned in the text as influential factors in international collaboration. The text gives the ‘scores’ of the UK, USA, Germany and Japan on these dimensions to illustrate the differences.
  - a) Look up the scores of these same countries on the remaining cultural dimensions on [www.geert-hofstede.com](http://www.geert-hofstede.com)

These are the score for the countries in question as given on the above website:

	UK	USA	GERMANY	JAPAN
<b>Power Distance Index (PDI)</b>	<b>35</b>	<b>40</b>	<b>35</b>	<b>54</b>
Individualism (IDV)	89	91	67	46
<b>Masculinity (MASC)</b>	<b>66</b>	<b>62</b>	<b>66</b>	<b>95</b>
Uncertainty Avoidance Index (UAI)	35	46	65	92
<b>Long-term orientation (LTO)</b>	<b>25</b>	<b>29</b>	<b>31</b>	<b>80</b>

It should be emphasised that these scores only reflect general tendencies and cannot be applied to individuals.

- b) **How could score differences on these other dimensions also influence collaboration between the four cultures mentioned? Give concrete examples, if possible.**

### **PDI**

Japan's score is higher than those of the other countries concerned. Relatively speaking, Japan as medium power distance. Collaboration could be influenced, e.g. by:

- The question of building trust. For the Western countries, trust often built on personal credibility, personality, persuasive techniques. In Japan, trust built more on position within an organisation, extended contact and consistency between words and action in the longer term.
- The question of giving and maintaining face during interaction: the Japanese CEO, for example, would expect to be shown deference and to show deference towards his counterpart. Aspects of this are dealt with in Chapters 15, 16 and 17 which examine negotiations, team work and conflict management.
- The question of control within a joint operation: the extent to which power is delegated.

A further point, which applies across the board: the nature of communication and to all cultures engaged: any collaboration requires an ongoing dialogue in which partners can learn about each other and engage in a productive way. The question then arises whether the partners can succeed in this process – the Japanese with their high-context form of communication, the others with their lower-context form. This aspect of communication is referred to in the introduction to Part One and dealt with in detail in Chapter 13.

### **MASC**

Contrast between the culture involved not as extreme, but Japan score very high.

The cultures working together may need to resolve the tension between:

- Aggressive competition and collaboration
- Centralisation and decentralisation
- Working to live and living to work (office hours, social engagements).

Can the group resolve attitudes towards gender: is there to be a clear differentiation between genders?

### **LTO**

Japanese score on this dimension is particularly high. Are the Western partners able to think in the longer term? Are they able/willing to forego short-term gain for the sake of longer term objectives?

**2. The text mentions that within the same organisation wider cultural gaps can exist between, say, R&D and finance as between the R&D teams of two partners.**

**To what extent can Hofstede's cultural dimensions be used to explain such cultural gaps?**

- Refer to Chapter 2: Hofstede refers to culture as 'the collective programming of the mind which distinguishes the members of one human group from another' (1980: 25). When elaborating on his definition, he says: 'Culture, in this sense, includes systems of values; and values are among the building blocks of culture'.
- Research relating to cultural definitions has mainly focussed on comparison between countries and Hofstede's dimensions widely used. Hofstede's definition could also embrace distinctions between 'one human group' and another' within the same organisation, particularly when the related core values are addressed.
- NB reference to Concept 1.2 – Levels of cultures, in particular Schein's definition of organisational culture (page 18) and his analysis of professional culture (pages 20–21).
- Hofstede's dimensions could be considered as a rather blunt instrument to use when the 'cultural gaps' between company departments are being considered. The dimensions are intended to characterise general tendencies within a culture and do not necessarily help to explain differences between professional cultures.

**NB**

- There is further discussion on corporate cultures in Chapter 7, Concept 7.2.
- The question of competing values within an organisation (Chapter 10, pages 268–272) is also relevant to the discussion and could be addressed here.

**3. Now that Hofstede has proposed a new dimension that we called the 'sixth' dimension (see Spotlight 2.3), what added value does it offer when analyzing this article?**

Participants can look up the Indulgence versus Restraint scores on [www.geerthofstede.com](http://www.geerthofstede.com) and use the comparison facility on the same site to compare the UK and USA (both with similar high scores) with Japan and Germany (both with low scores). They can then decide themselves if the analysis given on the site could add any extra value to an analysis of the article content.

This task can offer a moment for an initial discussion on the validity of the sixth dimension, a subject pursued in the suggested response to question 3 of Activity 2.2.

## Activity 2.2 (book pages 52–54)

### Hofstede versus the GLOBE project

The table below, intended for the instructor only, was compiled by GLOBE researchers, and gives a detailed comparison of the approach taken by GLOBE and that taken by Hofstede. This could be helpful in answering the questions below.

<b>Table 3 Comparison of GLOBE and Hofstede research</b>		
	<i>GLOBE research program</i>	<i>Hofstede research</i>
<b>Purpose</b>	To design and implement a multiphase and multi-method program to examine the relationship between national culture, leadership effectiveness, and societal phenomena	To conduct a post hoc interpretation of the findings of a survey on employee morale (1980: 42)
<b>Instrument design and data analysis</b>	<ul style="list-style-type: none"> <li>• Theory-driven constructs</li> <li>• A total of over 160 researchers from 62 societies involved in the research. They were directly involved in research design starting 1993. They conducted individual and focus group Interviews with managers in their own countries</li> <li>• All CCIs received questionnaire items and provided reports on their face validity, understandability and relevance in their own cultures</li> <li>• Items were edited on the basis of these reports and new items were added</li> <li>• The final draft of the items went through a very rigorous psychometric process for instrument design</li> <li>• The surviving instruments were translated and back-translated in each country</li> <li>• Pilot tests were conducted in several countries to empirically verify the cultural dimensions</li> <li>• Common source error was controlled for in the research design</li> <li>• Rigorous statistical procedures to verify that the scales are agreeable, unidimensional and reliable, and to ensure cross-cultural differences</li> <li>• State-of-the-art statistical techniques (HLM) used to test a priori hypotheses, showing that the culture-to-leadership relationships existed at</li> </ul>	<ul style="list-style-type: none"> <li>• Consulting project to address the needs of a dominant US-based corporation in the 1960s (1980: 40) with a distinct corporate identity (1980: 41)</li> <li>• Questionnaire items generated by a team of 6 European researchers to cover the issues that were of concern to the company identified through interviews with employees (1980: 42)</li> <li>• Questionnaire items were focused on what was relevant to each person, rather than their society</li> <li>• Questionnaires were translated into local languages without back-translation (1980: 45)</li> <li>• Ambiguous psychometric instrument design process</li> <li>• Unclear properties on established psychometric requirements</li> <li>• Emphasis on cross-country comparison without evidence for within-country aggregability (1980: 41)</li> </ul>

	<p>organisational or societal level, not individual level</p> <ul style="list-style-type: none"><li>• Rigorous statistical evidence for relationship between societal and organisational culture</li><li>• Multimethod-multitrait analysis and multilevel confirmatory factor analysis to establish construct validity</li></ul>	
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Source: Conceptualizing and measuring cultures and their consequences: a comparative review of GLOBE's and Hofstede's approaches, *Journal of International Business Studies*, Vol 37, pp.897–914 (Javidan, M., House, R.J., Dorfman, P.W., Hanges P.J. and de Luque, M.S.), Copyright © 2006, Macmillan Publishers Ltd., reprinted by permission from Macmillan Publishers Ltd.

## Questions and possible responses

### 1. What do you consider to be the essential differences between the approach taken by Hofstede and that taken by the GLOBE project towards determining cultural dimensions?

The comparison highlights the key differences in the purpose of the research projects as well as the instruments used in the surveys. It also underlines the shortcomings of the Hofstede approach compared to that of GLOBE when it comes to analysis of the data.

The key differences:

- a) The results of their project allowed for a greater understanding of cultural dimensions to be developed, using constructs and scales which were 'more comprehensive, cross-culturally developed, theoretically sound and empirically verifiable' (Javidan, 2006, page 899).
- b) Flexibility: GLOBE acknowledges that their results are not the only alternative to Hofstede: researchers may choose from a number of dimensions with which to pursue their cross-cultural work.

The different types of questionnaires used clearly reflect the key difference in approach with regard to the focus of the research.

### 2. Which of the criticisms often made about Hofstede's work could be applied to that of the GLOBE project? Refer both to the above article as well as to the concepts.

- The use of cultural dimensions: can you simplify national cultures to a handful of dimensions?
- The question as to how the cultural dimensions influence each other still needs to be addressed.
- Other aspects of culture may well have an influence on people's values and behaviour
- The use of countries as the currency of cultural comparisons: characterising cultures which are territorially bound



**3. Now that Hofstede has adopted a sixth cultural dimension (as a result of his work with Minkov – see Spotlight 2.3), to what extent do you think this invalidates the research which has been carried out using the original dimensions?**

The relatively recent addition to Hofstede's cultural dimensions does not invalidate the results of research based on his original dimensions. These results are simply to be considered as more limited in scope. The same can be said for research carried out even before the fifth cultural dimension (Short- and Long-Term Orientation) was added.

It is worth noting here that Hofstede has frequently revised the results of his study of cultural dimensions. The third edition of his original publication 'Cultures and Organization' not only includes the sixth dimension (Indulgence versus Restraint), but also a new calibration of the fifth dimension. These new elements are based on the World Values survey data provided by new co-author Michael Minkov.

One could question the validity of this new dimension:

- The data used is less than that used for the other dimensions, particularly since fewer countries are included. Being new, the dimension has not yet been widely adopted by researchers in the field.
- The very perception of 'happiness' can vary considerably between countries and representations of it can differ. The validity of data arising from questions which require respondents to describe how happy they are can therefore be called into question.

This could be an appropriate moment for a discussion concerning the methodology required when carrying out a research project in the area of cross-cultural studies.

### ***References***

Hofstede, G. (1980) *Culture's Consequences*, 1st edn, Beverly Hills: Sage.

Javidan, M., House R.J., Dorfman, P.W., Hanges, P.J. and de Luque, M.S. (2006) 'Conceptualizing and measuring cultures and their consequences: a comparative review of GLOBE's and Hofstede's approaches', *Journal of International Business Studies*, Vol 37, pp.897–914.