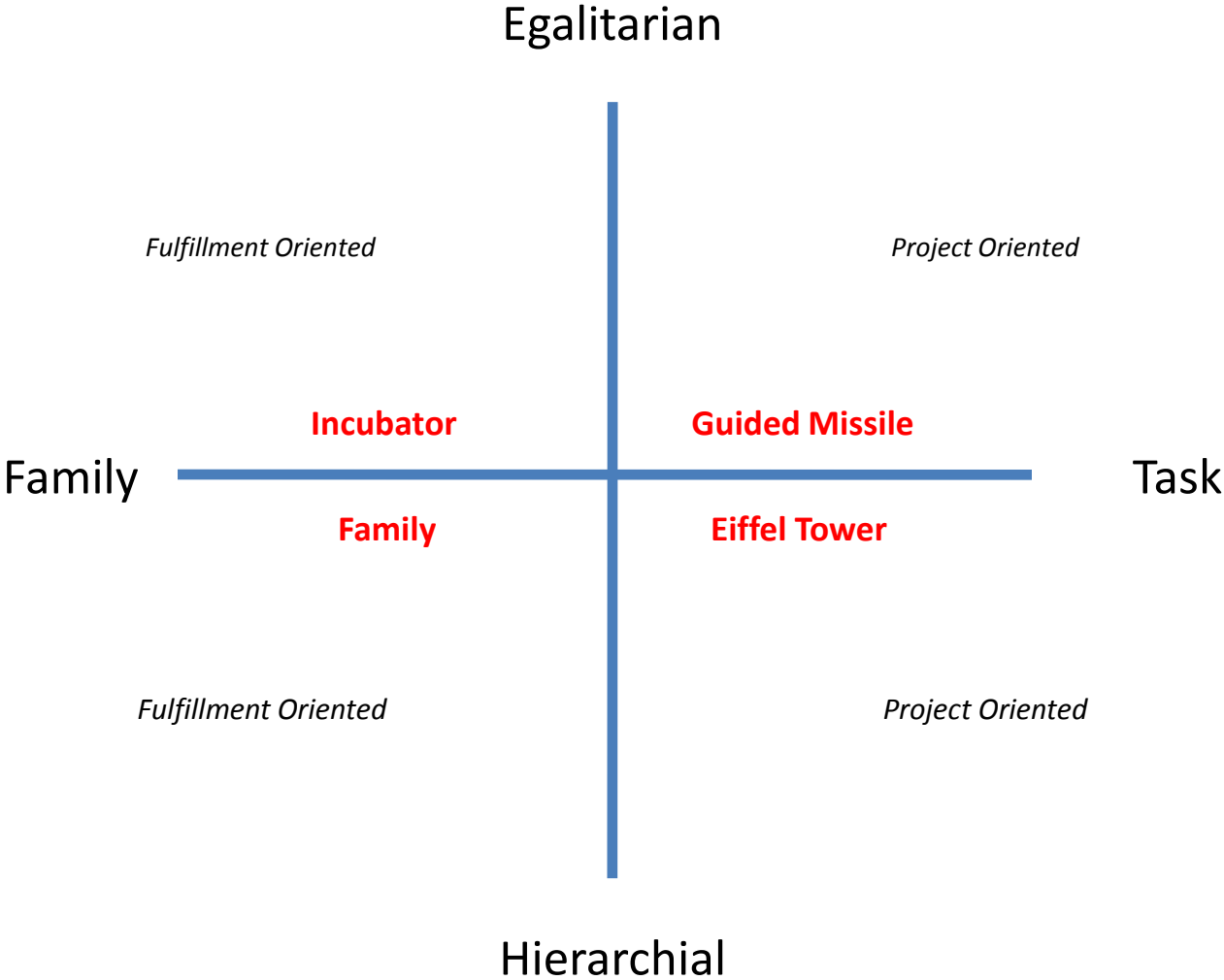


# **BSAD560 Intercultural Business Relations**

## **Class 8: Organizational Cultures, Cross-Cultural Synergy, and Global Negotiations**

# Four Basic Types of Corporate Culture

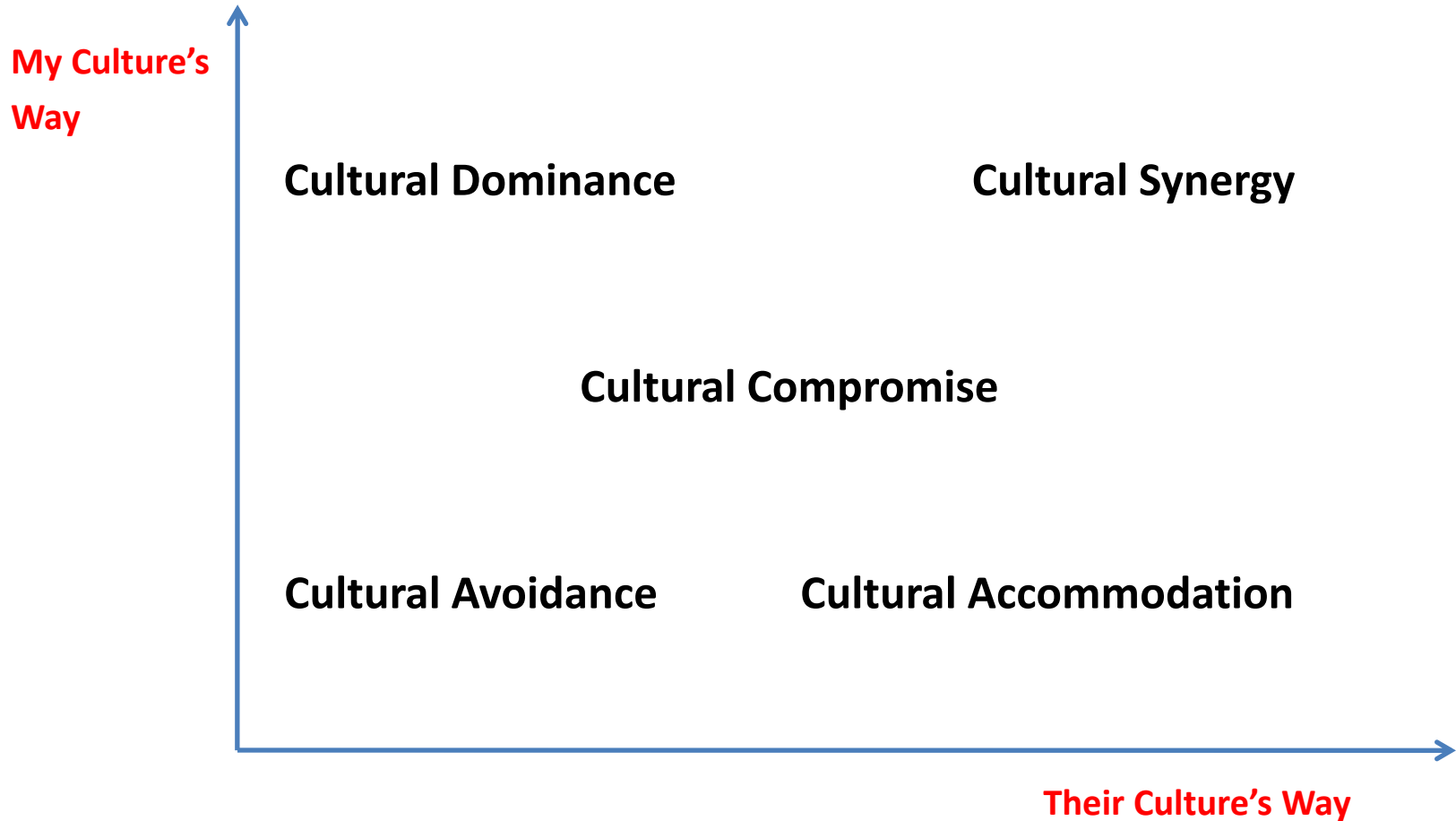


## Internal Characteristics of the Four Corporate Cultures

	<b>Family</b>	<b>Eiffel Tower</b>	<b>Guided Missile</b>	<b>Incubator</b>
Relationship between employees	Diffuse relationship to organic whole in which one is bonded	Specific role in mechanical system of required interactions	Specific tasks in cybernetic system targeted upon shared objectives	Diffuse spontaneous relationship growing out of shared creative process
Attitude to authority	Status is ascribed to parent figures who are close and powerful	Status is ascribed to superior roles who are distant yet powerful	Status is achieved by project group members who contribute to targeted goal	Status is achieved by individuals exemplifying creativity and growth
Ways of thinking and learning	Intuitive, holistic, lateral, and error-correcting	Logical, analytical, vertical, and rationally efficient	Problem-centered, professional, practical, cross-disciplinary	Process-oriented, creative, ad hoc, inspirational
Attitudes to people	Family members	Human resources	Specialists and experts	Co-creators
Ways of changing	"Father" changes course	Change rules and procedures	Shift aim as target moves	Improvise and attune
Ways of motivating and rewarding	Intrinsic satisfaction in being loved and respected Management by subjectives	Promotion to greater position, larger role Management by job description	Pay or credit for performance and problems solved Management by objectives	Participating in the process of creating new realities Management by enthusiasm
Criticism and conflict resolution	Turn other cheek, save other's face, do not lose power game	Criticism is accusation fo irrationality unless there are procedures to arbitrate conflicts	Constructive task-related only, then admit error and correct fast	Must improve creative idea, not negate it

From Trompenaars and Hampden-Turner (1997), *Riding the Waves of Culture*, p 178

# A Range of Cultural Strategies



# Cultural Strategies

- **Cultural Dominance** – Occurs when the organization / culture component with the power (technology, capital, or resources) tends to impose its management system
- **Cultural Avoidance** – Occurs when the organizational component acts as if there are no differences (more frequently used by collectivistic cultures – particularly when the unresolved issue is less important than the overall relationship)
- **Cultural Compromise** – Occurs when policies and practices are broadly similar between two or more cultures involved. Works best and is often limited to those most similar to US (i.e. western Europe). May also involve concessions by both sides in order to work together. Powerful partner usually has to concede less.
- **Cultural Accommodation** – Occurs when one component completely follows the local system (labor, management, organization) of a local company (i.e found in organizations which have a polycentric approach).
- **Cultural Synergy** – Occurs when two or more cultures attempt to form an organization based on combined strengths, concepts, skills all organizations involved.

# High / Low Synergy Cultural Traits

## High Synergy Cultures

- emphasis on cooperation for mutual advantage
- non-aggressive social order
- social institutions promote individualism and group development
- idealizes win/win
- leadership fosters wealth sharing / common good; cooperatives encouraged
- society uses resources for common wealth and develops potential of all citizens
- open system that encourages benevolence, generosity, helpfulness
- belief system that life is good, power meant to be used for benefit of all
- low crime and mental illness rates

## Low Synergy Cultures

- competitive society, rugged individualism, dog-eat-dog concept
- aggressive and antagonistic; physical or psychological violence common
- self-centered social arrangements
- win-lose approach
- encourages private or individual gain; poverty tolerated
- permits exploitation of poor and minorities; accepts power and wealth elites
- closed system; idealizes strong man concept
- belief system of fear; vengeance accepted, violence accepted as a means of redress
- citizenry defensive, jealous, accept status quo; high rate of crime and mental illness

**Synergy Applied to Management Styles:  
Type J, Type Z, and Type A**

<b>Management Trait</b>	<b>Type J</b>	<b>Type Z</b>	<b>Type A</b>
<b>employment</b>	lifetime	long term	short-term
<b>decision making</b>	consensual	consensual	individual
<b>responsibility</b>	collective	individual	individual
<b>evaluation and promotion</b>	slow	slow	rapid
<b>control</b>	implicit, formal	implicit, informal with explicit formalized measures	explicit, formalized
<b>career path</b>	non-specialized	moderately specialized	specialized
<b>concern for employees</b>	holistic	holistic for individuals	segmented

# Barriers to Cultural Awareness

☹ **Ethnocentrism:**

The unquestioned belief in the superiority of one's own group

☹ **Stereotyping:**

The natural selection process used to categorize a group of people and the application to those perceived to be in that group

☹ **Prejudice:**

Making pre-conceived judgments and displaying negative attitudes towards groups or individuals based on faulty, inflexible stereotypes.

☹ **Racism:**

A form of prejudice usually based on differences in skin color, hair color and texture, facial features along with the belief that some races are inherently superior or that some races are inherently and genetically less capable and accomplished.



# Five Fingers of Business: Mexico

- Food
- Family
- Friendship
- First Things (areas more important than business – such as art, soccer, history, music)
- Finance

# **Typical American Negotiation Traits (based on U.S. values)**

- **go it alone (individualism)**
- **first name informality (egalitarianism)**
- **lack of foreign language (manifest destiny / ethnocentrism)**
- **little home office contact (individualism)**
- **to the point (work ethic, action oriented)**
- **open disclosure (egalitarianism / achievement)**
- **speak up (action oriented)**
- **persistence (competitive)**
- **one thing at a time – (work ethic; action orientation)**
- **unchanging – (individuality / ethnocentrism)**
- **bottom line (materialism)**
- **argumentative (individualism / competitive)**

## Three Common Negotiation Styles

	USA	Arab Countries	Russia
Style	Appeal to logic	Appeal to emotions	Appeal to ideals
Counter-argument	Facts	Feelings	ideals
Concessions	Small ones at first	Continual	Few (or none)
Response to concessions	Usually reciprocate	Always reciprocate	Never reciprocate
Anticipated Relationship	Short term	Long term	Immediate
Authority	Broad	Broad	Limited
Initial Position	Moderate	Extreme	Extreme
Deadline	Very important	Casual	Ignored

## US and Japanese Negotiators Compared

### USA

Do not value emotional sensitivity

Straight-forward, impersonal

Litigation; little conciliation

Low commitment to employer; willing to break ties if needed

Individual leader decision making (with input from team)

Decision based on cost

Influence by special interests (but sees this as unethical)

Argumentative (right or wrong) but impersonal

Methodical decision making

Profit or good of individual is ultimate aim

Impersonal; avoids involvement

### Japan

Valued emotional sensitivity

Hide emotions

Conciliations

Loyal to employer; employer takes care of employees; extreme reluctance to break ties

Group decision by consensus

Decisions based on face

Influenced by special interests

Non-argumentative; quiet when right

Step-by-step decision making

Good of group is highest aim

Involved; cultivates a good emotional setting

# Japanese Group Relations

