

Understanding the Role of Culture in a Global Business Environment

Module 10

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Culture and its Effects on Organizations

- Cultural savvy and sensitivity
- Impact of cultural awareness
- Cross-cultural training

What is Culture?

- Culture of a society is comprised of shared values, understandings, assumptions, and goals that are learned from earlier generations, imposed by present members, and passed on to succeeding generations.

Cross-Cultural Convergence

- Shifting individual management/leadership styles to become more similar to one another.

Understanding Culture

- First step - understand your own culture
 - Ethnocentrism
 - Parochialism
- Second step - develop cultural sensitivity

Cultural Variables

- Anticipate the probable effects of an unfamiliar culture by developing a cultural profile – snapshot of the overall character of a specific culture or group of people.
- Recognize subcultures
- Practice contingency management

Models of Cultural Profiling

- Several different models exist to develop cultural profiles. These models are made up of unique clusters of variables that provide a snapshot of the overall national character.

Harris and Moran Cultural Profile Model

- Based on different categories of interdependent variables that form *subsystems* in any society
 - Kinship
 - Education
 - Economic
 - Government
 - Spiritual beliefs
 - Social associations
 - Health care
 - Recreation

Cultural Profiles Based on Differences in Values

- Unique sets of shared values among different groups of people.
- Values are a society's ideas about what is good or bad, right or wrong.
- Values influence how people behave in different circumstances

Globe Project Dimensions

- Globe Project comprised on 170 researchers who collected data on cultural values, practices, and leadership attributes over 7 years from 18,000 managers in 62 countries. Team identified 9 cultural dimensions that distinguish one society from another:
 - Assertiveness
 - Future orientation
 - Performance orientation
 - Humane orientation
 - Gender differentiation
 - Uncertainty avoidance
 - Power distance
 - Institutional collectivism versus individualism
 - In-group collectivism

Hofstede's Value Dimension Model

- Hofstede and his team researched over 116,000 people in 50 countries. Four value dimensions are proposed:
 - Power distance
 - Uncertainty avoidance
 - Individualism versus collectivism
 - Masculinity versus femininity

Trompenaar's Value Dimension Model

- Trompenaar and team researched value dimensions over a 10 year period with 15,000 managers from 28 countries representing 47 national cultures and subcultures. Unique dimensions of Trompenaar's model include:
 - Universalistic versus Particularistic
 - Neutral versus Affective
 - Specific versus diffuse oriented
 - Achievement versus Ascription

Operational Value Differences

- Some specific culturally based variables that frequently cause problems for American managers working across cultures:
 - Time
 - Change
 - Material factors
 - Individualism
- International managers often experience conflict in work situations as a result of unexpected behaviors arising from differences in values held about time, change, materialism, individualism. These factors have important implications in communications, work organizations and scheduling, incentive systems, attitudes toward work generally.

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