

Leadership and Management in A Global Environment: Culture and Its Implications to the Global Management

1. Overview/Goal

By the end of unit 1 students should be able to understand what culture is and what differences in cultures may influence management on global arena, cultural skills in global business and variables affecting culture.

By the end of unit 2 students should have learned about Project GLOBE Cultural Dimensions, Hofstede's Value Dimensions, Critical Operation Value Differences and Individual Identification vs. Group Identification.

By the end of unit 3 students should have learned about practical application of knowledge about the cultures and selected cultural profiles.

2. Competencies

Unit 1 - Students should have gained understanding of the importance of learning about the culture, understanding of what impact culture has on global business and understanding the cultural dimensions and how to interpret them.

Unit 2 - Students should have gained understanding of the cultural dimensions and should know how to interpret them.

Unit 3 - Students should have known how to apply cultural knowledge in the business environment.

Unit 1: **Culture and business**

3.1. Pre-activity discussion / UNIT 1 – Culture and business

In the beginning students are given handouts with the article about American businesswoman who was arrested by the religious police in Saudi Arabia. The teacher may read the case and ask a general question "What do you think happened here?" No content of the unit is revealed yet and students brainstorm based on their current knowledge.

ATTACHMENT 1:

Religious police in Saudi Arabia arrested American businesswoman for sitting at Starbucks with a man

QUESTION:

What do you think happened here?

SOURCES:

Article: http://www.timesonline.co.uk/tol/news/world/middle_east/article3321637.ece

Image source: <http://pixdaus.com/pics/CV5PN29Saxht.jpg>

4.1: Learning activity

(Slide 6): How much culture of a given country influences businesses is visible in facts and statistics. Managers need to be culturally aware if they want to succeed in a cross-cultural environment.

E.g. doing business with Saudi Arabia is not only attractive because of the market values but is challenging because of how much flexibility needs to be introduced from both partner cultures. Starbucks' logo in Saudi Arabia does not have face of a woman under the crown which was removed because of religious decrees. Due to the same reasons cosmetics company Coty Beauty has to omit models' faces on the displays.

Statistics show that **40%** of expatriate managers leave their assignments abroad early due to difficulties in adjusting to local environments and what follows poor effectiveness. **50%** of the ones who stay are not effective because of similar reason and US companies lose approximately **\$2 billion** annually because of failed negotiation and interaction with businesses in other cultures. All these facts show that studying cultural differences is essential in order to succeed on a global arena.

SOURCES:

Deresky, H. (2005). *International Management: Management Across Borders and Cultures*. Pearson/Prentice Hall

(Slide 7): Disciplines like multicultural education and intercultural communications are fast-developing fields. One teaches us how their own culture influences their perspectives and how they can develop an ability to see events from the perspective of other cultures. The other one gives us a framework for examining cultural perspectives. Both disciplines are helpful in guiding us through the process of cross-cultural communication, mastering of which is essential. The reasons why it's important include working in virtual environment, global business and "follow the sun" strategy.

Virtual environment is known for its flexibility. A lot of different tasks and jobs may be outsourced abroad and members of virtual teams (in different cultures) work together using collaborative tool that enables equal and effective contribution. Virtual collaboration lacks face-to-face interaction which is important in order to establish trust and communicate in straightforward and unbiased way. **Technology** is now aiding any kind of global business. It enables businesses conduct their services around the clock without interruptions and pauses. This type of strategy is called "**follow the sun**" strategy, where members of a global virtual team work within one single share point without ever stopping the progress. E.g. at the end of the day USA team passes the project over to Germany that at the end of the day passes over to India, than to China an back to the US.

That is why knowledge of cultural differences and competence to manage them with benefits is very important. Working in global environment managers and team members need to be aware of vast differences and be flexible.

SOURCES:

Image source: <http://pixdaus.com/single.php?id=31555>

(Slide 8): In order to know cultural differences it is essential to know the culture and its components. Culture is a system of values and norms that are shared among a group of people and that when taken together constitute a design for living. There are several components that influence culture; they include values, customs, knowledge, beliefs, and norms.

Values are the principles, standards, or quality which guides human actions; they are considered subjective and vary across people and cultures; they are a culture's thoughts about what is considered to be right or wrong, or good or bad (ethical/moral values, doctrinal/ideological (political, religious) values, social values, and aesthetic values).

Customs are the practices of preserving ideas and actions from generation to generation; it is also a specific act that follows the tradition of past generations. They vary widely from place to place and from group to group as well as throughout the history of a particular group.

Knowledge is the combination of information and human context that enhances the capacity for action to be taken. It may be represented in documents, databases, products, and processes or be unstructured and more dependent on action, context and personal experience and his type is hard to communicate. (Building Valued Culture Through Knowledge Sharing)

Beliefs are assumptions (suppositions that something is true) or convictions (strong persuasions that something is true) that we hold as true about some person, thing, or concept.

Norms, or social norms, are rules that are socially enforced. They are guided by cultural rituals, traditions and routines, moral judgments that define wrong and right behavior and law. All components vary dramatically across cultures and foreign companies may ignore those aspects, yet such differences in way of life in different countries requires managers to develop international expertise to manage based on the host country environment. These powerful factors influence management strategies, functions, and processes.

Click on the picture and play the clip. The clip presents breaking the rules/norms in the office – the staff in UK version of “The Office” singing “Mahna mahna”

SOURCES:

Deresky, H. (2005). *International Management: Management Across Borders and Cultures*. Pearson/Prentice Hall

<http://www.au.af.mil/au/awc/awcgate/usmc/mcrp611b.pdf>, p. 247

http://chppm-www.apgea.army.mil/co2/CO2_book/Lp13.htm

Clip: <http://www.youtube.com/watch?v=28ZSMAtzBSY>

(Slide 9): Members of a society have unique cultures, which affect their business practices so managers should not assume that they can transplant their own country's business practices and styles in foreign lands. An important responsibility of a global manager is to identify an appropriate cultural profile which pinpoints the unique characteristics that improves the working relationship between parties, most importantly, the culture of that country.

E.g.: Dominos Pizza in the US vs. India - US menu contains regular American Pizzas, Indian offers pizzas with ingredients that are not used in the Western world (“Keema Do Pyaaza – a delectable pizza got double Keema topped with onion and Jalapeño”);

Keema, is a traditional home cooked dish in northern India and Pakistan. It is minced lamb curry served with peas or potatoes. Originally Keema in Urdu means mince meat. It may be mutton, lamb, beef or chicken.

SOURCES:

<http://en.wikipedia.org/wiki/Keema>

Image source: <http://www.dominos.co.in/>, <http://www.dominos.com/>

(Slide 10): When doing business abroad, there are skills that managers are encouraged to possess to be able to better understand local culture and business environment – they include: **culture savvy**, which is a working knowledge of the cultural variables affecting management decisions, **cultural sensitivity** or **cultural empathy**, that mean an awareness and an honest caring about another individual's culture, and knowledge about culture of a society which comprises the shared values, understandings, assumptions, and goals that are learned from earlier generations, imposed by present members of a society and passed on to succeeding generations.

On the other hand, the concepts that managers should avoid are **self reference criterion**, which is unconscious reference to one's own cultural values - understanding and relating to others only from one's own cultural frame of reference; **parochialism**, which is the expectation that "foreigners" should automatically fall into host-country patterns of behavior, and **ethnocentrism** which is the belief that the management techniques used in one's own country are best no matter where or with whom they are applied.

E.g.

Ethnocentrism - commercials that work in Europe don't often work in Japan. Book example - in an early Japanese TV commercial for P&G's Camay soap, a Japanese woman is bathing when her husband walks into the bathroom. She starts telling him about her new beauty soap. Her husband strokes her shoulder and hints that he has more on his mind than suds. The commercial was a disaster in Japan because for the man to intrude on his wife was considered bad manners.

SOURCES:

Deresky, H. (2005). *International Management: Management Across Borders and Cultures*. Pearson/Prentice Hall

(Slide 11): Managers should also avoid generalizations in cultural profiles which often times produce only a stereotype of national character. Many countries consist of different subcultures whose elements obey the rules of the national character only to some extent (ethnic or geographic differences). Therefore, good managers treat people as individuals and they avoid any form of stereotyping. **Stereotyping** is the assumption that every member of a society or subculture has the same characteristics or traits, without regard to individual differences. **Generalizing** is necessary in creating culture profile but should be avoided when dealing with the culture from the inside since there are subcultures that show big differences in behaviors, attitudes and values.

E.g.:

- **Americans** - abroad are almost always dealt with in the context of the stereotypical American. However at home, Americans recognize differences among themselves – we should apply the same insight toward people in other countries.

- **China** - there are considerable differences in Chinese -"regional diversity" is the biggest factor. Traditional Confucian values reign everywhere, but individualism and openness to change are different in different regions. Different provinces are more westernized than others. In Hong Kong more young people bleached their hair.

SOURCES:

Deresky, H. (2005). *International Management: Management Across Borders and Cultures*. Pearson/Prentice Hall

(Slide 12): There are also several cultural variables that have a grand influence on a given culture. They may be found in almost all societies and they make a summary of all characteristics of a given group. Although there are many categories of variables, Harris and Moran have identified eight groups that shape the subsystems in any society, they include Kinship, Education, Economy, Politics, Religion, Associations, Health, and Recreation.

Kinship – adopted by a society which guides family relationships

E.g. in US nursing homes are popular; in eastern countries contracts are awarded to family members.

Education – formal or informal education of workers affects workplace expectations

E.g. in western culture on-the-job training

Economy – means of production and distribution in a society influences all aspects of the resource allocation

Politics – system of government imposes varying constraints on an organization

E.g. Russia and China – communism, US and western Europe - democracy

SOURCES:

Deresky, H. (2005). *International Management: Management Across Borders and Cultures*. Pearson/Prentice Hall

(Slide 13): Religion – spiritual beliefs of a society are so powerful that they overpower all other cultural aspects

E.g. Arab cultures are led by beliefs and religion more than by customs

Associations – the formal and informal groups that make up a society

Health – system of health care affects employee productivity

Recreation – the use, attitude, and choice of how to use leisure time

Language – both spoken and unspoken, is one of the defining characteristics of culture.

SOURCES:

Deresky, H. (2005). *International Management: Management Across Borders and Cultures*. Pearson/Prentice Hall

5.1. Post-activity discussion / UNIT 1 – Culture and business

In the beginning students were given handouts with the article about American businesswoman who was arrested by the religious police in Saudi Arabia. The teacher may read the case and ask a general question "What do you think happened here?" This time students know more about differences in cultures. The next question is: "Do you think American and Arab cultures are different? Why?"

ATTACHMENT 1:

Religious police in Saudi Arabia arrested American businesswoman for sitting at Starbucks with a man

QUESTION:

What do you think happened here?

Do you think American and Arab cultures are different? Why?

(Please read to students **AFTER** the lecture and after they answer the question.)

ONE OF THE COMMENTS ABOUT THE ARTICLE WAS:

“I am a non Muslim male who will be shortly residing/working in Saudi. While it may sound that her rights have been abused in this case, the Saudi government has made it absolutely clear of their rules including the rule of being in public with someone of the opposite sex beside your spouse/relation. She should not even be travelling around Saudi without her husband....it is against their rules. If you do not like their rules, don't go to Saudi...”

SOURCES:

Article: http://www.timesonline.co.uk/tol/news/world/middle_east/article3321637.ece

Image source: <http://pixdaus.com/pics/CV5PN29Saxht.jpg>

Unit 2: **Cultural Value Dimensions**

3.2. Pre-activity discussion / UNIT 2 – Cultural Value Dimensions

In the beginning students are given handouts with the article about American businesswoman who was arrested by the religious police in Saudi Arabia. The teacher may read the case and ask general questions “What do you think happened here?” and “Did you notice any cultural differences here?” No content of the unit is revealed yet and students brainstorm based on their current knowledge.

ATTACHMENT 1:

Religious police in Saudi Arabia arrested American businesswoman for sitting at Starbucks with a man

QUESTION:

What do you think happened here?

Did you notice any cultural differences here?

SOURCES:

Article: http://www.timesonline.co.uk/tol/news/world/middle_east/article3321637.ece

Image source: <http://pixdaus.com/pics/CV5PN29Saxht.jpg>

4.2: Learning activity

(Slide 18): Many mistakes have been made by international managers in the past. Much of the differences in cultures of a foreign subsidiary result from the established value systems.

As pointed out in the previous module the **values** are culture's thoughts about what is considered to be right or wrong, or good or bad. They are passed from generation to generation. These values cause a society or a factory to behave differently under similar circumstances.

Several projects have been focused on describing sets of values within different cultures. These studies have facilitated the world of business with the indispensable knowledge about different societies and how values impact their everyday life and industry. The studies include Project GLOBE Cultural Dimensions and its Societal Clusters, Hofstede's Value Dimensions, Trompenaar's Value Dimensions, and Critical Operational Value Differences. They will all be described in the following slides.

SOURCES:

Quote: <http://www.grovewell.com/pub-GLOBE-intro.html>

(Slide 19): Project GLOBE provides insights into business leadership in 62 nations. The Project involved directly 170 "country co-investigators" based in 62 of the world's cultures. This international team collected data from 17,300 middle managers in 951 organizations. GLOBE research assessed nine fundamental attributes, or cultural dimensions, of both societal and organizational cultures. It also explored how these impact leadership in 62 societal cultures ranging from Albania to Zimbabwe. They comprise all the business-oriented societies you might hope to find with the exceptions of Norway and Saudi Arabia, plus several you might not expect such as El Salvador, Georgia, Kazakhstan, Kuwait, Namibia, Qatar, Slovenia, and Zambia.

The GLOBE team analyzed their data and found the existence of "10" cultural, or societal, clusters where similarities cluster geographically. Thanks to these clusters multinational companies may find it less risky and more profitable to expand into more similar cultures rather than those which are drastically different. The table on the slide presents ten societal clusters, and the number of societies within each cluster.

The Ten "Societal Clusters" and Number of Societies in Each: Anglo – 7, Latin Europe – 6, Nordic Europe – 3, Germanic Europe – 5, Eastern Europe – 8, Latin America – 10, Sub-Saharan Africa – 5, Middle East – 5, Southern Asia – 6, Confucian Asia - 6

SOURCES:

Image: Adapted from House, R.J., Hanges, P.J., Javidan, M., Dorfman, P., & Gupta, V. (Eds.). (2004). *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies*. Sage Publications, Inc
<http://www.grovewell.com/pub-GLOBE-intro.html>

(Slide 20): Cultural dimensions have been an often-used tool of intercultural researchers for decades. The GLOBE team identified nine "cultural dimensions" that would serve as their units of values measurement and have important managerial implications. They are as follows: Performance Orientation, Uncertainty Avoidance, Humane Orientation, Institutional Collectivism, In-Group Collectivism, Assertiveness, Gender Egalitarianism, Future Orientation, and Power Distance.

Assertiveness- how much people in a society are expected to be tough, confrontational, and competitive versus modest and tender

Future Orientation- the level of importance a society attaches to future-oriented behaviors such as planning and investing in the future

Performance Orientation- the importance of performance improvement and excellence in society and whether or not people are encouraged to strive for continued improvement

Humane Orientation-the extent to which a society encourages and rewards people for being fair, generous, caring, and kind

Institutional Collectivism – level of loyalty felt towards the organization and its goals rather than one's own individual goals

In-group Collectivism – level of pride found in belonging to small groups within a society (i.e. work groups, family, religious group, etc.)

Gender Egalitarianism – way a culture endorses gender role differentiation

Power Distance – level of equality distinction between superiors and their subordinates in terms of power, responsibility, and authority

Uncertainty Avoidance – society's reliance on social norms to avoid unpredictable future events

SOURCES:

Image source: <http://www.thunderbird.edu/wwwfiles/ms/globe/Images/globe2.jpg>

<http://www.grovetwell.com/pub-GLOBE-intro.html>

(Slide 21): Prof. Geert Hofstede conducted perhaps the most comprehensive study of how values in the workplace are influenced by culture. Geert Hofstede's research gives us insights into other cultures so that we can be more effective when interacting with people in other countries. Framework developed by Hofstede is based on how basic values underlie organizational behavior. If understood and applied properly, this information should reduce the level of frustration, anxiety, and concern. But most importantly, Geert Hofstede presents the 'edge of understanding' which translates to more successful results.

(Teacher may suggest that students go to www.geert-hofstede.com and compare your culture with any chosen one.)

SOURCES:

Image: http://www.itim.org/img/foto_groen_geert.jpg

Deresky, H. (2005). *International Management: Management Across Borders and Cultures*. Pearson/Prentice Hall

www.geert-hofstede.com

(Slide 22): He proposed five value dimensions: **power distance** indicates the level of acceptance by a society of the unequal distribution of power in institutions; **uncertainty avoidance** indicates the extent to which people in a society feel threatened by ambiguous situations and how much willing are they to take risks; **individualism** shows the tendency of people to look after themselves and their immediate families only and to neglect the needs of society, vs. **collectivism** which is the tendency of a society toward tight social frameworks, emotional dependence on belonging to an organization, and a strong belief in group decisions; **long-term orientation** means that cultures tend to base their decisions on outcomes in the future, vs. short-term oriented cultures are based more on fulfilling obligations that will have a more immediate or near term impact; and **masculinity** indicates

the degree of traditionally masculine values such as assertiveness, materialism, and lack of concern for others.

The examples of cultures presenting different dimensions are given on the slide.

SOURCES:

Deresky, H. (2005). *International Management: Management Across Borders and Cultures*. Pearson/Prentice Hall

www.geert-hofstede.com

(Slide 23): Example: Comparison of Germany and Hong Kong according to Hofstede's dimensions.

SOURCES:

Images: www.geert-hofstede.com

(Slide 24): Critical Operational Value Differences help to identify some specific culturally based variables that cause frequent problems for managers in international management. Important variables are those involving conflicting orientations toward time, change, material factors, and individualism.

Time

To Americans, time is valuable and limited. It's to be saved, scheduled, and spent w/ precision. Western concept says "time is money". However, Arabs often regard a deadline imposed on them as an insult. In Latin America, time means an indefinite time in the near future.

Change

Western people believe that an individual can exert some control over the future and can manipulate events (high internal locus of control). In many Buddhist or Eastern (Asian) countries, many believe in destiny or the will of their God and feel hostility toward those introducing the "evil" of change (high external locus of control).

Material Factors

Americans consume resources at a far greater rate than most of the rest of the world. Many of them often value physical goods as status symbols. Indians and Koreans worship nature as part of their religious beliefs. Others find materialism as unimportant and non-spiritual.

Individualism

Americans tend to work and conduct their private lives independently. Values include individual achievement, accomplishments, promotions, and wealth, etc. In China, "we" prevails. There, the group is the basic building block of social life/work. "We all rise or fall together".

SOURCES:

Deresky, H. (2005). *International Management: Management Across Borders and Cultures*. Pearson/Prentice Hall

(Slide 25): When doing business in Saudi Arabia one must remember and follow rules of that country. If you are not a Muslim, you may not enter Saudi Arabia without an invitation and you may not leave without an exit permit. Visitors to Saudi Arabia are subject to the same rigorous Islamic law as Saudis. It is not uncommon for Westerners to be imprisoned for possessing illegal substances such as alcohol, pornography, pork or narcotics. Thieves still have their hands amputated and capital crimes are punished by public beheadings.

The Geert Hofstede analysis for Saudi Arabia is almost identical to other Arab countries; their Muslim faith plays a large role in the people's lives. Large power distance and uncertainty avoidance are the predominant characteristics for this region. This indicates that it is expected and accepted that leaders separate themselves from the group and issue complete and specific directives.

ISLAMIC GREETINGS

When Muslims greet each other they say "Assalamo Alaikum," which means "May peace be upon you and may God's blessings be with you." This greeting makes a Muslim aware that he has to spread love and peace wherever he goes.

APPEARANCE

- Never show bare shoulders, stomach, calves and thighs.
- Visitors are expected to abide by local standards of modesty however, do not adopt native clothing. Traditional clothes on foreigners may be offensive.
- Despite the heat, most of the body must always remain covered.
- A jacket and tie are usually required for men at business meetings. Men should wear long pants and a shirt, preferably long-sleeved, buttoned up to the collar. Men should also avoid wearing visible jewelry, particularly around the neck.
- Women should always wear modest clothing in public. High necklines sleeves at least to the elbows are expected. Hemlines, if not ankle-length should at least be well below the knee. A look of baggy concealment should be the goal, pants or pant suits are not recommended. It is a good idea to keep a scarf handy, especially if entering a Mosque.

BEHAVIOR

- It is common to remove your shoes before entering a building. Follow the lead of your host.
- Alcohol and pork are illegal.
- In the Muslim world, Friday is the day of rest.
- There are several styles of greetings used; it is best to wait for your counterpart to initiate the greeting. Men shake hands with other men. Some men will shake hands with a woman; it is advisable for a businesswoman to wait for a man to offer his hand. A more traditional greeting between men involves grasping each other's right hand, placing the left hand on the other's right shoulder and exchanging kisses on each cheek.
- The left hand is considered unclean and reserved for hygiene avoid gestures with the right hand. Do not point at another person and do not eat with the left hand.
- Men walking hand in hand is a sign a friendship.
- Try not to cross your legs when sitting. Never show the bottom of your feet.
- The "thumbs up" gesture is offensive.
- Gifts are not necessary, but appreciated. Avoid admiring an item too much, you host may feel obligated to give it to you. When offered a gift, it is impolite to refuse.
- Women in Saudi Arabia are not permitted to drive vehicles.

COMMUNICATIONS

- Do not discuss the subject of women, not even to inquire about the health of a wife or daughter. The topic of Israel should also be avoided. Sports is an appropriate topic.
- Names are often confusing. It's best to get the names (in English) of those you will meet, speak to, or correspond with beforehand. Find out both their full names and how they are to be addressed in person.

- Communications occur at a slow pace. Do not feel obligated to speak during periods of silence. "Yes" usually means "possibly".
- Your Saudi host may interrupt your meeting or conversation, leave the room and be gone for 15 to 20 minutes for the purpose of his daily prayers.
- At a meeting, the person who asks the most questions is likely to be the least important. The decision maker is likely a silent observer.
- A customary greeting is "salaam alaykum". Shaking hands and saying "kaif hal ak" comes next.

SOURCES:

Image: <http://www.ameinfo.com/gallery/images/saudi-1.jpg>
<http://www.cyborlink.com/besite/saudi-arabia.htm>

(Slide 26): Different cultures around the world represent either individual or group identification. Understanding the type of identification of a given society enables businesses to manage and motivate employees in a more effective environment. The **individual identification** is displayed in Western civilizations where the primary focus is on the individual and individual achievements; focus on the success of the individual can be linked to the vitality of the US economy, but it can also lead to a lack of company loyalty and failure to gain company specific knowledge, competition between individuals in a company rather than team building, and a limit on people's ability to develop a strong network of contacts within a firm. The **group identification** is prevalent in many Asian societies where the group is the primary unit of social organization. This may discourage job switching between firms, encourage lifetime employment systems, and lead to cooperation in solving business problems, but might also suppress individual creativity and initiative.

SOURCES:

Hill, C. W. L. (2005). *International Business: Competing in the Global Marketplace*. University of Washington

5.2. Post-activity discussion / UNIT 2 – Cultural Value Dimensions

In the beginning students were given handouts with the article about American businesswoman who was arrested by the religious police in Saudi Arabia. The teacher may read the case and ask a general question "What do you think happened here?" This time students know more about differences in cultures and cultural dimensions. The next question is: "Did you notice any cultural differences here?" The teacher can go further and also discuss the following questions: "What are the recommendations for Yara – how should she behave in Saudi Arabia?" "Should she fight for herself or leave Saudi Arabia?"

ATTACHMENT 1:

Religious police in Saudi Arabia arrested American businesswoman for sitting at Starbucks with a man

QUESTION:

What do you think happened here?

Do you think American and Arab cultures are different? Why?

What are the recommendations for Yara – how should she behave in Saudi Arabia?

Should she fight for herself or leave Saudi Arabia?

(Please read to students **AFTER** the lecture and after they answer the question.)

ONE OF THE COMMENTS ABOUT THE ARTICLE WAS:

“I am a non Muslim male who will be shortly residing/working in Saudi. While it may sound that her rights have been abused in this case, the Saudi government has made it absolutely clear of their rules including the rule of being in public with someone of the opposite sex beside your spouse/relation. She should not even be travelling around Saudi without her husband....it is against their rules. If you do not like their rules, don't go to Saudi...”

SOURCES:

Article: http://www.timesonline.co.uk/tol/news/world/middle_east/article3321637.ece

Image source: <http://pixdaus.com/pics/CV5PN29Saxht.jpg>

Unit 3: Cultural Profiles and Management Styles

3.3. Pre-activity discussion / UNIT 3 – Cultural Profiles and Management Styles

Students are played a movie clip from CBS13 news about South Korea being a global leader in broadband connection. The teacher then asks the quiz question “What do you think is the percent of households in Korea that are connected to the Internet as compared to the US?”. Next students may brainstorm and present general ideas about how they would describe South Korea’s profile.

Q: In South Korea, information technology is an important part of business. What percent of households in Korea are connected to the Internet as compared to the US?

A: 90% Korea and 30% the US;

The internet is affecting cultures around the world!

South Korea boasts of being the most wired nation on earth. In fact, perhaps no other country has so fully embraced the Internet. 90% of homes connect to cheap, high-speed broadband. The figure is 30% in the United States. South Korea has over 20000 personal computer parlors to watch movies, check e-mail, and surf the net for as little as \$1. While South Korea leads in the rollout of broadband, the United States - supposedly the world's technology leader - comes in no better than No. 13, according to experts. The drawback of the Internet popularity is that up to 30% of South Koreans under 18, or about 2.4 million people, are at risk of Internet addiction.

One of the pervasive ways that culture is determining how the Internet may be used in various countries is through the local attitude to *information privacy* (the right to control information about oneself). Sweden is astonished that Americans collect data about consumer’s backgrounds. In Europe, people must be informed, and given the chance to object, if the information about this person is going to be used for direct marketing purposes and released to another party. This behavior in Europe is culturally and historically conditioned.

ATTACHMENT 2:

US Lags Behind With Internet - transcript

QUESTION:

How would you describe South Korea's profile?

SOURCES:

US Lags Behind With Internet, November 02, 2007 (00:01:57)

<http://www.youtube.com/watch?v=XZ7cdAJwwek>

The future is South Korea. Tech firms try out latest in world's most wired society.

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2005/03/13/BROADBAND.TMP>

In Korea, a Boot Camp Cure for Web Obsession, The New York Times,

http://www.nytimes.com/2007/11/18/technology/18rehab.html?_r=2&ref=business&oref=slogin&oref=slogin

Statistics:

<http://www.internetworldstats.com>

<http://governanca.cgi.br/noticias/u-s-in-the-broadband-slow-lane/>

Image:

http://www.textually.org/tv/archives/images/set3/samsung_schb500_1.jpg

4.3: Learning activity

(Slide 31): Managers can gather a lot of information on cultural variables from current research, personal observations, and ultimately predict actions at work. From these sources, managers can develop cultural profiles of various societies and learn to predict people's norms of behavior, overall attitudes toward work, loyalty, business ethics, and group productivity in efforts to foster improved working conditions and efficiencies in output. The profiles cannot be generalized because many subcultures exist within one culture. To create profile of a different culture than own, one would need to live there and be involved with local people.

SOURCES: Indian culture and business - Camlin Company commercial, January 04, 2007 (00:01:19)

<http://www.youtube.com/watch?v=002AY4cb5uw&NR=1>

(Slide 32): After researching the culture and creating culture profile, it is very useful for the manager to next develop an understanding of the management styles and manners of doing business that predominate in that region, or in that type of business setting. The slide presents brief comparison of management practices of firms in Central and Eastern Europe and the West.

General business environment:

West – Western Europe, North America, Australia, Japan

- Long term development of the managerial discipline
- Established track record (finances, R&D, marketing, corporate performance)
- Public predictability (public relations and public knowledge, stock market, and investment options)
- Public ownership of corporate assets

Central Europe – Poland, Czech Republic, Slovakia, Hungary, Romania, Bulgaria, the Baltic Republics

- Relatively short managerial track record (older managers educated under the old system)

- Operating under the concept of engineering management or business administration
 - Public knows little about publicly owned enterprises
 - Low public ownerships of corporate assets
- Eastern Europe – Ukraine, Moldova, Russia, Byelorussia, Georgia
- Virtually no track record in management (benevolent dictatorships)
 - Relatively new “private” enterprises (mostly spoils of the old system)
 - No public predictability
 - Relatively none-existence of public ownership of corporate assets

SOURCES:

https://www.business.aau.dk/ivo/present/Management/5th_semester/2007/Management%20GT_slides.pdf

(Slide 33): Environmental forces acting on formation of enterprises

Technological climate

- West – appropriate technology for market and end consumer applications
- Central Europe – the lack of appropriate technology is beginning to impact financial efficiency
- Eastern Europe – appropriate technology is still the responsibility of government bureaucrats

Economic climate

- West – relative stability with strong international economy linkages
- Central Europe – stabilizing economic and financial transactions
- Eastern Europe – very unstable privatization issues and financially unstable transactions

SOURCES:

https://www.business.aau.dk/ivo/present/Management/5th_semester/2007/Management%20GT_slides.pdf

(Slide 34): Environmental forces acting on formation of enterprises (continued):

Social climate (incl. ethical, political, and legal climates)

- West – stabilized over time with high degree of predictability
- Central Europe – unstable ethically, politically, and legally with low degree of predictability
- Eastern Europe – unstable ethically, politically, and legally with no degree of predictability

Life styles

- West – “relatively” stable managerial behavior with separation between personal and managerial life style
- Central Europe – somewhat consistent managerial behavior is emerging and life styles reflect business culture
- Eastern Europe – negative perceptions of management as a profession and little differentiation between personal and business consumption

SOURCES:

https://www.business.aau.dk/ivo/present/Management/5th_semester/2007/Management%20GT_slides.pdf

(Slide 35): Managerial perspectives and global development:

West – improved managerial efficiency and effectiveness in managing enterprises in a rational and objective manner (rational decision making)

- Educational implications
- On the job training (internships)

– Progressive on the job career advancements

Central Europe – incremental employment of trained professional managers with education and experience

– Use of “head hunters”

– Expectations of on the job performance

– Relatively low benefits

Eastern Europe – family or “relative” operated enterprises

– The role a an extended family

– Issue of control

– Concerns over competitors

SOURCES:

https://www.business.aau.dk/ivo/present/Management/5th_semester/2007/Management%20GT_slides.pdf

5.3. Post-activity discussion / UNIT 3 – Cultural Profiles and Management Styles

Based on cultural profiles presented in the unit students are to choose a culture that in their opinion is different from their own and compare their business practices. The teacher then asks the questions “What is their general business profile?” “What are their technological, economic and social climates?” “What are their managerial perspectives?”

QUESTIONS:

What is their general business profile?

What are their technological, economic and social climates?

What are their managerial perspectives?

6. Assignment specifications

Choose two countries that represent different dimensions according to Hofstede’s research. Analyze the differences between them and explain how they would influence business practices. Create brief fictitious case study about these two countries doing business. Explain what differences in your opinion would affect decision-making process, negotiation, sense of time urgency, work ethics, etc. Would they make good business partners?

7. Post activity discussion

- What is culture and how does it impact business practices?
 - What are cultural dimensions and how do countries differ according to Hofstede’s model?
-

8. Assessment

Quiz questions

1. What percent of expatriate managers leave their assignments abroad early?
 - a. 30 %

- b. 40 %
 - c. 50 %
 - d. 55 %
2. Virtual environment is known for _____.
- a. better communication
 - b. lack of cultural barriers
 - c. flexibility
 - d. stability
3. Skills that managers are encouraged to possess to be able to better understand local culture and business environment include:
- a. culture savvy
 - b. cultural sensitivity
 - c. cultural empathy
 - d. all of the above
4. What does Hofstede's Value Dimensions project describe?
- a. Business practices of various cultures
 - b. Cultural customs and traditions that influence business practices in various cultures
 - c. Countries' profiles
 - d. Sets of values within different cultures
5. What country is group identification prevalent?
- a. China
 - b. Japan
 - c. Poland
 - d. Sweden

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- www.geert-hofstede.com
- <http://www.internetworldstats.com>
- <http://governanca.cgi.br/noticias/u-s-in-the-broadband-slow-lane/>

Image source:

- <http://pixdaus.com/pics/CV5PN29Saxht.jpg>
- <http://pixdaus.com/single.php?id=31555>
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- <http://www.thunderbird.edu/wwwfiles/ms/globe/Images/globe2.jpg>
- <http://www.dominos.co.in>
- <http://www.dominos.com/>

Movie clips:

- <http://www.youtube.com/watch?v=002AY4cb5uw&NR=1>
- <http://www.youtube.com/watch?v=XZ7cdAJwwek>
- <http://www.youtube.com/watch?v=28ZSMAtzBSY>

Appendix 1

SOURCE:

Religious police in Saudi Arabia arrest mother for sitting with a man

http://www.timesonline.co.uk/tol/news/world/middle_east/article3321637.ece

Religious police in Saudi Arabia arrested American businesswoman for sitting at Starbucks with a man

A 37-year-old American businesswoman and married mother of three, Yara, was thrown in jail by Saudi Arabia's religious police for sitting with a male colleague at a Starbucks coffee shop in Riyadh.

Yara moved to Jeddah eight years ago with her husband, a prominent businessman. She paid a routine visit to the new Riyadh offices of her finance company, where she is a managing partner. The electricity temporarily cut out, so Yara and her male workmate went to a nearby Starbucks to use its wireless internet. She sat in a curtained booth with her business partner in the café's "family" area, the only seats where men and women are allowed to mix. For Yara, it was a matter of convenience. But in Saudi Arabia, public contact between unrelated men and women is strictly prohibited.

"Some men came up to us with very long beards and white dresses. They asked 'Why are you here together?'. I explained about the power being out in our office. They got very angry and told me what I was doing was a great sin," recalled Yara, who wears an abaya and headscarf, like most Saudi women. The men were from Saudi Arabia's Commission for Promotion of Virtue and Prevention of Vice, a police force of several thousand men charged with enforcing dress codes, sex segregation and the observance of prayers.

The religious police took her mobile phone, she was interrogated, strip-searched and forced to sign and fingerprint a series of confessions pleading guilty to her "crime". Eventually she was taken before a judge. "He said 'You are sinful and you are going to burn in hell'. I told him I was sorry. I was very submissive. I had given up. I felt hopeless," she said. Yara's husband, Hatim, used his political contacts in Jeddah to track her whereabouts. He was able to secure her release. Yara was freed from a day in prison. An embassy official said that it was being treated as "an internal Saudi matter" and refused to comment on her case.

Appendix 2

SOURCE:

Larry Burgee - Towson Univ - US Lags Behind With Internet

<http://www.youtube.com/watch?v=XZ7cdAJwvek>

A new study finds 14 countries have broadband connections that are faster and cheaper than ours. Jessica Kartalija reports experts blame the government.

In some countries like South Korea, Internet connections are 15 times faster than here in the U.S. In fact, many Americans still rely on dial-up service, as opposed to broadband.

The Internet was born right here in the U.S., so why other countries are so much more technologically advanced than we are?

"We are very savvy, but we are not the savviest," said Dr. Larry Burgee.

Burgee teaches principles of e-business at Towson University. He says countries whose government supports broadband access are thriving, while the U.S. lags behind.

"We have fallen behind, particularly when it comes to countries like Korea and Japan, because there really was not a government push here in the country. I'm not sure it's something we really want to do, but it's just how it is," said Burgee.

While the government's hands-off approach isn't working, a lack of interest in information technology isn't helping either.

"One of the things we see in academia is that the number of students getting into computer science and information technology is falling as a percentage of the U.S. population. Young people are being less interested in studying technology degrees," said Burgee.

Towson is the only university in Maryland offering a degree in e-business. But thanks to a lack of interest among American students, the university has had to bring in students from countries like China and India to support the program.

"One of the things I want to say to the young people is we need you to study information technology and electronic business. These are the waves we are moving into in the future," said Burgee.

In some countries, like South Korea, internet connection is 15 times faster than it is here in the US. In fact, many Americans still rely on dial-up services as opposed to broadband.