

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE

SIMON KUZNETS KHARKIV NATIONAL UNIVERSITY OF ECONOMICS

CROSS-CULTURAL MANAGEMENT

Practicum

**for Bachelor's (first) degree students
of speciality 073 "Management"**

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Compiled by T. Blyznyuk

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Practical situations, most typical of modern multinational organizations, and exercises are proposed to help students apply the gained theoretical knowledge and skills to practice and form proper professional and general competences.

For Bachelor's (first) degree students of speciality 073 "Management".

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Introduction

Today's business environment has become highly complex, dynamic and globalized. In today's global world an understanding of what happens when people from different cultures meet and work together is quite essential for managers and leaders. Actually, in the entire world, there are approximately 80 000 multinational firms, and each has in average 10 affiliates abroad, forming this way a vast planetary net.

A major challenge of doing business internationally is to adapt effectively to different cultures. Such adaptation requires an understanding of cultural diversity, perceptions, stereotypes, and values. In recent years, a great deal of research has been conducted on cultural dimensions and attitudes, and the findings have proved useful in providing integrative profiles of international cultures.

Cross-cultural management is the management of relations that arise at the border of national and organizational cultures, the study of the causes of intercultural conflicts and their neutralization, clarification and use in the organization management of the patterns of behavior inherent in national business culture.

Effective cross-cultural management means gathering of representatives of other cultures conducting business based on recognition and respect for cross-cultural differences and formation of a common corporate value system that would be perceived and recognized by each member of the multinational team.

The cross-cultural management purpose is the formation of a cross-cultural approach to doing business in the current conditions of globalization in order to increase the effectiveness of managerial interaction of representatives of different national cultures.

Practice-oriented studies on intercultural interactions have been repeatedly called for, because students and practitioners often consider predefined constructs or cultural dimensions too abstract, remote from practice, or lacking recommendations for dealing with and resolving intercultural conflicts and clearing up misunderstandings.

Content module 1. Conceptual approaches to cross-cultural management

Topic 1. Evolution and main concepts of cross-cultural management

Case 1. What did she say? [2]

An international financial firm convened its Human Resources leadership team, key executives from around the world, on the coast of Spain for a retreat and strategic planning meeting. One segment of the meeting featured a skilled and highly successful speaker from the United States, who talked about change – organizational and personal change. Being less accustomed to working internationally, during her presentation she used a number of personal examples from the private parts of her life; the parts of her life that involved relationships and situations outside of the workplace. Her culturally mixed audience had mixed reactions to her comments. Many members of the audience were offended by what they viewed as inappropriate and unprofessional remarks. The speaker had crossed a boundary, bringing the very private into a public, professional context. Some of the meeting participants felt pressured, wondering if they too were expected to share at an equally personal level. They wondered if they would be judged negatively by their leadership, those who sponsored the speaker, if they too did not use examples from their private lives.

The presentation had a negative effect for the remainder of the meeting.

Analysis and discussion:

1. When you are speaking with an international audience, what must you be aware of and take into account?
2. In what ways does the behavioral example you set – what you say, how you say it and the context in which it is said – impact how comfortable or uncomfortable others feel?
3. What would you have done to diminish the negative impact the following presentation had on the rest of the meeting?

Case 2. Building trust and relationships in Latin America.

Latin Americans are widely known for their warm way, passionate behaviour and hospitality. This is result of the importance given to the

relationship within the family, friends and colleagues. Relationships are paramount. Its importance may overcome business performance: one might abdicate some sort of direct financial gain to the detriment of a relational status.

Building a relationship with a Latin American partner may seem extremely difficult, but it may bring about genuine results and a strong tie.

Here are five most important things to know about doing business in Latin America [21]:

1. Relationship is an important issue for any Latin American business partner, but you should focus on the business' leader / owner, since he/she is the one who must rely on you and will ultimately decide whether to do the business or not.

2. Look for a third person who can introduce you to a partner: this provides you with legitimacy and liability.

3. Prefer face-to-face meetings always when possible – meals are ideal occasions for introducing business proposals.

4. Do not rush: Latin Americans are not straightforward; they like to talk and ask about personal life facts, to tell their business' history. Thus, avoid starting a meeting and going straight to the point: start with small talks. It is recommended that you let the conversation flow and allow your Latin American partner to introduce the subject.

5. Present your business proposals with transparency, by even showing some financial data. Clearly demonstrate the advantages to each of the parts. It is recommended to mention whether you are also dealing with another person or company as well.

Latin Americans countries have a distinctly collectivistic trait, which can be seen through the usual low score on the Individualism Index. As a result, people tend to give major importance to the group. The ties among people are, therefore, relationships. Some other effects may also be seen as a result of this: loyalty to the group, fitting in with the group's identity and opinion as preserving the group's harmony prevails over individual performance or opinion.

The high score on the Uncertainty Avoidance Index (UAI) is another fundamental element in the Latin American culture. Concerning relationships, this fact shows that Latin American may be very suspicious of strangers, since it is a potential source of uncertainty and risk. Also, the high UAI level is related to the emotional behaviour of Latin Americans and justifies why they

may seem very warm and happy, but can also be deeply sorrowful or angry at something.

In addition, it is worth pointing out the expressive trend Latin Americans have towards high Power Distance Index scores. It states a surveillance predominance inside the groups and between them (social classes, for example).

Since opinions and behaviours are collectively acquired and there is a strong hierarchical element within the society, it is important that you focus on building a relationship with the business owner/leader. Regardless of other opinions, they have the final word. And as stated, relationships for Latin Americans are based upon loyalty and trust – it is difficult for them to separate the moral and emotional elements from the professional ones.

It is expected that your Latin American business partner tell you about his family, his history and he may expect the same from you. Therefore, it is highly recommended that you say a few words about yourself, the history of your company and so on. Negotiations have a warm-up moment, in which small talks concerning football, the landscapes you would like to visit at his/her country, the weather and other superficial subjects. Nevertheless, avoid talking about politics, their country's weakness or polemic issues.

Eventually, it may actually take few meeting as a warm-up for deep negotiations. This is a result of the time required for the Latin American partner to feel comfortable with both you and your proposals. Take it as an investment and not a waste of time: your Latin American partners can turn out to be friends of yours forever! This is a result of the emotional engagement that usually surrounds their relationships. Therefore, prepare yourself with significant time buffer in your negotiation plans, because it is necessary and worthy.

Whether in the first, second or few later encounters, present your proposal with transparency. Bring financial projections and allow your business partner to ask for some more financial data. Bringing and showing this data can be a significant signal of your intention to be honest. Moreover, the feeling that you are hiding something or taking advantage over your partner can be harmful to get his/her trust. Show how each one of the parts can succeed.

Look for a third person who can introduce you to your partner. A member of the embassy, another business partner or any other acquaintance who can really help you establish a reliable link. For example, it is very

common in Latin America for people to hire a new employee from an indication of an acquaintance, rather than analyzing the curriculum. This is because the fact of being introduced by a trustful person indicates that the candidate will also be reliable.

Concerning communication, Latin Americans are usually indirect, contextual. They may take a long way to say something, especially a negative statement. Their body language, speech firmness, voice tone, gestures and other attitudes can be saying something as much as the actual content of their speech. So does yours for them: the way you reply to their jokes, your facial expressions and gestures. So be careful with negative expressions and show reciprocity in response to their generosity. It is highly appreciated when you show genuine gratitude and contentment. Feel free to respond to hugs, smiles, touches during conversations, etc.

Soren Amundsen, Director of North Europe Publishing House, based in Oslo, Norway, was pleased because he believed he would finally close the contract to edit the Editora Inca and its wonderful examples of pre-Columbian Peruvian art and history.

He was surprised to see his future business partner Pedro Canquichoque, General Director of Editora Inca, waiting for him outside the airport. It was the first time they had seen each other personally, besides their long conversations on Skype, but there was no doubt: that was Pedro! Talkative, cheerful and friendly.

Pedro seemed very happy to receive Soren. Smiling, he said: "We have a special dinner tonight. It is the eve of Inti Raymi, homage to the Sun God. Tomorrow I will take you to Cusco to see the ceremony. We will talk about business later!"

The next day, they visited the Temple of the Sun in the city of Cusco, and walked through the Haucaypata, the Plaza de Armas, to see the impressive ceremony where two llamas were sacrificed.

Incidentally, Soren had scheduled his visit to Peru for June 24, which is the shortest day in the southern hemisphere, the day that the Incas organized a "Sunshine" party.

During that day, they drank coca tea, to support the height of the region, and "chicha morada", which is prepared with a particular species of purple corn, pineapple, clove, cinnamon and other seasonings. Pedro explained that chicha is antioxidant, anticancer, anti-inflammatory, so it is always good to taste this delicious drink.

During the week, between meetings they ate ceviches, anticuchos, olluquito con charque (llama meat), chicken, etc., always refreshed by good local beer, or a pisco sour. They talked about their families, their children, their beliefs, and how they led their businesses in their countries. They discovered some differences and many converging points.

Already sitting in his airplane seat on his way back home after four intense days in Peru and a few pounds more fat, Soren Amundsen thought how pleased and grateful he was with this recent experience. He thought he certainly could have made his business trip in much less time, but it would not have the same result. In addition to signing the contract he wanted, with the approval of his local and international lawyers, he had conquered a new and good friend, and he had the feeling that this relationship would last for many years.

Analysis and discussion:

1. What were the behaviors of the Peruvian partner that surprised Soren Amundsen? Why?
2. Would it be the same if the meeting were in Norway? How would it be?
3. How do you build relationships in your own country? Is it different from the Latin American process? How?
4. Would you be open to this way of doing business? What adjustments would you need to make?

Topic 2. The role of the phenomenon of culture in management

Case 1. He threatened me! [2]

A large international firm was facing a major issue with their largest product.

The regulator community and customer advocacy groups were challenging the integrity of the data the company supplied to the industry's regulatory body. As the investigation grew in size and scope, many people who were involved in the testing were interviewed. During one such interview, an outside researcher said that she had been threatened by a company executive. The executive accused of making the threatening comments was a man, native to Japan.

The outside researcher, a woman who was born and raised in Madras, said that this was the first time since her arrival in the United States three years prior, that she felt fearful in a work setting. She said she felt certain that her personal safety was at risk, given the treatment she received from the Japanese executive. The executive pointed out that he was simply doing his job, motivating the researcher to keep focused on producing a satisfactory and timely outcome for the business they both served, as well as the consumers who would benefit from the product.

Analysis and discussion:

1. What might be some of the cross-cultural communication dynamics that played a part in this situation?
2. Given the potential cultural differences, what kinds of nonverbal behavior might have contributed to the researcher's interpretation of the executive's message?
3. What cues do you look for as an indication of a miscommunication?

Case 2. Changing the cook stove: a US Peace Corps volunteer in Senegal [2].

As a U.S. American male Peace Corps volunteer in Senegal, West Africa, I acted as a regional coordinator for an appropriate technology project. The purpose of the project was to spread knowledge and use of homemade, fuel-efficient cook stoves, in order to reduce the pressures on rapidly dwindling forest resources partly caused by the use of firewood. In my role as coordinator of the effort in the northern part of the country, I was responsible for setting up one-week trainings in interested villages, preparing the participants, and loosely supervising the trainings themselves. I worked with a team of three trainers, Tapha, Thiarra, and Pape (all Senegalese men), who lived in the villages during the trainings. As supervisor, I would drop in for a day or two at a time to make sure everything was working as planned.

The stove was made from a mixture of clay and sand, a technology imported from Guatemala. Since this was a nontraditional material, it seemed unlikely to gain easy acceptance. It was also extraordinarily labor-intensive to produce and use, requiring extensive pounding of dry clay in preparation and much barehanded beating to get a solid, packed mass during construction.

During the latter part of my time in Senegal, I helped introduce a new stove model into the program. The new model, developed in Burkina Faso, looked quite similar in design but took advantage of more traditional building materials. A combination of clay, manure, straw, and a little water was mixed and left to sit for a week. This was similar to the process used in building adobe houses in the region. This "fermented" mixture was then used to form a stove right around and above the three rocks used in the traditional three-rock fire.

I felt strongly that the new stove was more appropriate than the old. It involved introducing only a new form, not a new material, and might therefore be more easily accepted. It took a third of the time to make, and involved modeling the materials instead of packing and pounding. The adobe mixture also allowed for a stove with thinner walls, involving less material and absorbing less of the heat from a cooking fire. Finally, it used the built-in rocks to form a stand for the cooking pot (the old stove had no stand), and the door to the firebox was reinforced with scrap metal from tin cans. It was therefore less likely to cave in. There seemed enough distinct advantages to warrant trying it out, and I was excited at the prospect of contributing to a useful innovation.

I first trained the trainers in the new technology, since I was the only person in the organization who had learned how to use it. This put me in the position of acting as both the technical authority and supervisor of the training team.

We then began a pilot effort to use the new model in training people in villages, to see how it would work in practice. For the first few days, I stayed with the team and participated in the training. When it seemed as though things were well under way, I returned to my previous pattern of occasional visits.

The team of trainers proved quite successful in adapting to the new materials. However, problems arose in two areas: wall thickness and building technique. I saw quickly that all three trainers had a great predilection for making the stove walls as thick as ever (twice what they should have been). This used more materials to build a less efficient (more heat-absorbent) stove. They also seemed stuck in their habits of pounding and beating the new, more elastic materials, instead of modeling and shaping them. Rather than making it solid, the beating simply made the new stove lose its shape. It

worried me to see my pet project losing some of its ease and efficiency unnecessarily.

I tried a number of tactics to change these habits. At first, I simply explained why thin walls and modeling made a better stove and made it easier. I announced that this was how this stove should be made. This tactic had very little apparent success; fat walls and pounding continued, much to my chagrin.

Rather than forcing the issue, I chose a gentler approach. I made it a point to visit more frequently than usual and at each visit I praised the work they were doing. I also threw in a little pitch for thin walls and modeling. I particularly praised thinner-walled stoves; I urged and encouraged the trainers to change their old ways. I held back from making a big fuss about it, but I brought it up gently whenever the occasion arose, and often with individual trainers instead of the whole group. I was mildly frustrated by the situation, but my appreciation of the team's generally excellent work helped me to relax and have patience.

As a result, the stove walls eventually thinned down (though not quite as much as I might have liked), and the trainers gradually accepted the smooth handling that the mixture demanded. In the other areas of the new stove model, the team had been extremely adaptable and resourceful, picking up the new system quickly and adding a few very useful innovations of their own. Overall, I felt very satisfied with what we had achieved, and pleased that changes had happened cooperatively instead of through an exercise of authority.

Analysis and discussion:

1. Was feedback solicited and provided?
2. Was this a culturally sensitive approach to feedback or an approach that reflected the Peace Corps worker's preferences?
3. What are some alternative approaches which may have been more efficient and successful?

Case 3. Bangladesh innovation opportunities.

Bangladesh has a growing market, stable economic growth rate of around 5 % per year, developing industrial sector, and lower competition than in other emerging markets.

Bangladesh has the largest cell/mobile phone market in South Asia, telecommunications sector is rapidly growing in Bangladesh. Consider developing innovative products and services in the telecommunication sector and using mobile phones for business operations, trade and marketing.

The sectors with the highest economic potential are energy (gas and petroleum), pharmaceutical, IT, textiles and apparel, banking, as well as, labour-intensive industries.

The agricultural sector is in need of innovation, the local market lacks agriculture equipment, inputs (fertilizers, seeds), dairy / fish / canning processing technologies.

Many people in Bangladesh speak English, particularly, in the business sector. Hence, it is relatively easy for a foreign company to start a business and to collaborate with other local enterprises.

If you wish to produce or to trade in the local market, carefully examine consumer preferences and estimate your potential customer base, since Bangladesh suffers from a high poverty rate (31.5 % live below the national poverty line). Income and consumption levels in Dhaka are considerably higher than in other urban areas.

Bangladesh and India have close trade and political relations, therefore Bangladeshi companies enjoy facilitated access to the large Indian market and vice versa.

The government of Bangladesh has introduced several benefits for companies which operate in the special economic zones. Some of the benefits include tax holidays, exemptions of VAT, custom and stamp duties, loans for foreign companies, citizenship for large investors and others.

The motor vehicle path and the coastal shipping line in South Asia are developing, therefore Bangladesh is becoming a good place for trade and transit of goods.

The tourist sector in Bangladesh is underdeveloped, whereas the interest in famous archaeological sites is growing [20].

Innovation ecosystem. The concept of social innovation (strategies that aim to meet social needs) was born in Bangladesh. Due to social innovation, the poverty rate has dropped significantly, and the population became enthusiastic about novel, technological ideas. Bangladesh does not have a well-developed innovation ecosystem, however, this country provides a very supportive network of young entrepreneurs for anyone who wishes to start an innovative business or social venture. If a business venture is expected to

have great value for the society, the entire community and local government may support and invest into a new business idea.

The Bangladeshi government tries to stimulate innovation through various policies and state-funded programs, however, without state support the access to finance is difficult. Foreign investors and venture capital organizations start to identify opportunities in Bangladesh, therefore the influx of capital funds has increased in recent years.

The collaboration between universities, companies and consumers in Bangladesh is relatively weak. Some local companies approach foreign universities, research institutes to get expert advice on business development, as Bangladesh has a lack of local professionals that have experience in development of innovative products.

Innovation sectors and technology. In the last few years, Bangladesh has started to undergo digital transformation with Dhaka being the centre of innovation. The IT sector is the major driver of economic change, as around 1500+ software and IT-related companies are currently operating in the country. Technologies that promote e-commerce, online healthcare, public-sector services as well as mobile applications are most promising for business development.

Innovation in some labour-intensive sectors, such as textile and garment industry, is faced with opposition, due to potentially large-scale (negative) impact on employment, a need for reskilling a large proportion of the workforce. However, the agricultural sector is more active in exploring novel solutions. Among the technologies that are significantly transforming the agricultural sector are inexpensive axial flow pumps, reapers for mechanical harvesting, and seed fertilizer drills.

In light of environmental challenges, the country is exploring opportunities in green innovation, shifting to efficient energy use, renewable energy sources, technologies that reduce accidents and help to mitigate hazards.

Innovation culture and practices. The current generation of entrepreneurs in Bangladesh is young, dynamic and optimistic about economic prospects of their country. People embrace new technologies, ideas and are willing to develop novel products and services. However, due to fear of business risks, lack of financial resources and experience in development of innovative

products, many entrepreneurs in Bangladesh choose to imitate foreign products rather than invest in development of new solutions.

The Bangladeshi government encourages the development of an entrepreneurial mindset through support to start-ups. However, the government aims to direct entrepreneurs towards social innovation that will deliver both economic and social solutions to local challenges.

Sectors. Textile, clothing, food, electronics, pharmaceutical, chemical, steel, shipbuilding, construction, leather, energy and ceramics. Despite that the service and industrial sectors account for 56.3 % and 28.6 % respectively, the agricultural sector represents only 15.1 % but employs around 47 % of population.

Iconic products. Rice, potato, clothing, accessories, tropical fruits, jute products, fish, ceramic tableware, HFA and CFC inhalers, nasal sprays, software products, cosmetics, ships and vessels.

How easy is it to do business in Bangladesh overall – ease of doing business in Bangladesh is 176, EU average is 30 and emerging markets average is 83.

Bangladesh is a relatively underdeveloped area for doing business, in contrast to other emerging markets. The protection of investors and the process of starting a business in Bangladesh are comparable to other emerging markets. However, due to complex regulatory procedures, bureaucratic inefficiencies, corruption, social and political instabilities, poor physical and financial infrastructure, all processes related to doing business in Bangladesh are relatively complex, time-intensive and expensive.

As a result of a high poverty rate and growing inequality, crime is a significant problem in poor areas of major cities. In addition, Bangladesh regularly experiences natural disasters, such as floods, tornadoes, tropical cyclones. Thus, the country incurs substantial financial losses and experiences soil degradation. Such difficulties demotivate foreign entrepreneurs, but therefore there also is lower competition in the market. If you have a long-term perspective, EU companies have the potential to gradually yield benefits from doing business in Bangladesh and become an important player on the market.

Business trends in Bangladesh. The domestic and international value chain networks in Bangladesh are relatively weak, primarily due to underdeveloped infrastructure. Internet connectivity in the country is low,

however, e-commerce is growing and contributing to domestic and international supply chain development.

The main trade partners for Bangladesh are the European Union, the United States, China, India, Japan, Malaysia and Singapore. Amongst major export goods of Bangladesh are clothing, knitwear, agricultural products, footwear, leather goods, frozen food (mostly, seafood), and jute products. Bangladesh imports petroleum-based products, raw cotton, textiles, iron, steel, machinery and equipment, edible oil, chemical and plastic products.

The biggest share of expenditure of Bangladeshi population goes to food, housing (rent or house repair), education, health and entertainment/lifestyle goods (gifts, festivals, clothing, furniture, and mobile phones). In Dhaka city people lead more luxurious lifestyles, spending around 20 % of their total expenditure on additional health services, recreation, and salaries for maids/drivers/guards.

Analysis and discussion:

When confronted with the differences between your own market and the market of Bangladesh you will likely feel that you have to adapt your product/service significantly to make it fit the preferences and expendable income of local people. While many may see this as a challenge, this can also prove to be a great opportunity for your company! Adapting to a new market, like Bangladesh, will allow your company to innovate. Not only will operating in Bangladesh lead to new insights to be more successful in Bangladesh, you will most likely also pick up on ideas to be more successful in your home market.

Topic 3. National culture in the conditions of globalization

Case 1. Mexican culture in the conditions of globalization.

The history of Mexican culture, as we know it today, spans at least five centuries, beginning with the arrival of Hernán Cortés and his troops to the Aztec capital city and religious center of Tenochtitlan in 1519. The "Spanish conquest" is often mischaracterized as a purely violent takeover; however that is only partially true. From the very start the Spaniards played a complex game of diplomacy and power that involved coalition-building, interbreeding, and outmaneuvering of indigenous groups who posed any resistance. This

strategy, ultimately, led to the fall of Tenochtitlan and the subjugation of the Aztec people.

One of the key outcomes was the creation of the mestizo (mixed blood) race, which has been at the very core of the Mexican identity until the present day. Colonial buildings, ancient temples and a variety of archeological sites are still abundant throughout the country and they often stand next to each other, sometimes (quite literally) on top of each other. This rich inheritance has inspired some of the most impressive modern architecture that the world has ever seen, among other cultural wonders.

After functioning as the Viceroyalty of New Spain for almost three centuries, Mexico achieved independence in 1821. However, around the same time, the country began dealing more closely with the United States, and losing 55 % of its territory in the subsequent decades as a result. Former president Porfirio Díaz (a mestizo himself) is reported to have said: "Poor Mexico, so far from God and so close to the United States". This sentiment has stuck in the nation's consciousness since. Though an important economic and political force in its own right, Mexico's culture cannot be fully understood without taking into account the long-standing influence of a world superpower next door.

Despite the terms sovereignty and revolution being integral to the national narrative, Mexican society is highly accepting of hierarchical order and centralized power (PDI 81). For the most part, people expect to be told what to do and will defer decision-making to those who are in a position of power, whether in the context of family, religion, work, government or foreign affairs.

Mexican culture is also predominantly collectivistic, prizing relationships above anything else (IDV 30). Maintaining in-group and between-group harmony is a core value, even if it comes with great personal sacrifice (it is not a coincidence that ritual sacrifice was seen as a stabilizing force in pre-Columbian civilizations). At the same time, particularly given the complex intersection of European, Mestizo and American heritage, Mexicans wish very deeply not to be taken advantage of.

There is an interesting "power paradox" in Mexico. On one hand, standing out from the crowd is generally something to be avoided, mainly if you are not a power holder. Being a winner, for instance, is not a value embedded in the culture; even uttering the word "no" is deemed too confrontational. On the other hand, material status is fervently sought after

and shown off when it is attained, even if it exists in small amounts. Wealth (or giving the appearance of wealth) is, therefore, an enabler of individualism, a vehicle for signaling to others one's position in the socioeconomic sphere (MAS 69), and, ultimately, a tool for shifting the power balance.

All of this creates a high context culture where there is always a lot going on "behind the scenes" and "between the lines". Punctuality is a matter of perspective, and the word "yes" often means "we'll see about that". Paradoxically, this inherent ambiguity of everyday life co-exists with a very high score in Uncertainty Avoidance (UAI 82), which reflects the pervasive sensation of never being on solid ground – a key reason why Mexicans maintain great respect for traditions, and a focus on achieving short-term outcomes (LTO 24), including a very high tendency towards Indulgence (IVR 97).

Some cornerstones of Mexican culture

Hospitality. A core quality of Mexican culture that gets recognized around the world is its hospitality. And it is arguably also one of the most fascinating, as it offers a window into the country's psyche. Though this aspect is evident in the strength of the tourism sector, it goes much deeper than that. Over the centuries, Mexicans have mastered the balancing act of being welcoming yet vigilant at the same time. "Mi casa, su casa" (my home, your home) is a well-known axiom of the Mexican mindset, and it relates back to centuries of tension between the desire to establish trade relationships and cross-cultural bonds (among indigenous groups at first, and with foreign cultures later on), as well as the traumatic stories of loss and betrayal that have become associated with enacting that impulse.

Being of service. The collectivistic and hierarchical aspects of Mexican society are a major driver of a service-oriented mentality. This comes very natural to most natives, so much so that it is still common for people to replace the term "de nada" (you're welcome) with "un servidor" or "para servirle" (meaning "at your service") upon completing a task or introducing themselves to a stranger (as in "Hello, I'm Juan, at your service"). This behavior, however, tends to be linked to level of educational attainment, i.e. the "eager-to-please" attitude is less prevalent among those with a higher academic degree, though they are still quite polite in their demeanor.

Religion. Given the century-old Spanish influence, Mexico is still predominantly Catholic and patriarchal, mainly as it pertains to government,

business and the general social order. For example, "Semana Santa" (Holy Week – Easter) is the biggest national holiday besides Christmas. Interestingly, however, the maternal figure is considered a critically important (nearly sacred) stabilizing force in every community. Mother's Day is celebrated on a fixed date, and prompts big family gatherings even if it falls on a weekday. Also, the most revered religious figure after God is the Virgin of Guadalupe ("la Virgen").

Politics and the economy. Mexico's political and economic systems are extremely bureaucratic and centralized. Mexico City alone drives almost a quarter of the country's GDP and is amongst the world's most productive urban centers, along with Tokyo, New York and London.

Equanimity and longing. Much of Mexico's marvel and struggle lies in its on-going quest for equanimity. Deep down, Mexicans aspire to live in harmony amongst themselves, with their natural environment, and with other countries. But, as it happens in any complex society, a benevolent attitude can easily be abused by others. Boundaries are constantly being tested, hence one of the inevitable consequences of this is an emotional state of mistrust, skepticism and passive aggressiveness. Appreciating Mexican culture in its entirety requires a certain level of compassion for its people's sense of vulnerability and longing.

Communicating. Mexico is a high-context communication culture. Allow your local counterparts the opportunity to speak and express themselves. Be a good listener and observer. Most of all, be curious. Asking open questions can yield great insights about the people and the companies you are dealing with. It is possible that they won't be immediately forthcoming, so you might need to dig a little deeper. Be gentle, though.

Be creative in how you ask the same thing multiple times in different ways. The truth is sometimes hard to get at, and you may get it in bits and pieces.

Avoid confrontational or blunt language; this usually narrows possibilities and creates obstacles for getting things done.

Mexicans tend to have a great sense of humor. Making funny remarks, telling stories and making jokes helps loosen people and establish rapport, as long as it's done tactfully and in the proper context, of course.

Negotiating. If you are in the process of negotiating something, the stronger the personal connection the better. Still, be patient. Negotiations can take a long time.

Mexico has one of the most sophisticated cuisines in the world, and it represents the origin of staple foods such as avocado, corn, tomato, cacao and many varieties of beans and chiles. Sharing a big meal usually presents the ideal opportunity to lay the groundwork for a negotiation. This can be breakfast, lunch or dinner. Enjoy!

Try to identify what your counterparts really would like to accomplish and how you can be of help. The sooner you can show them that you can offer something of value, the more cooperation and reciprocity you are likely to experience.

Leadership/management styles. A leader/manager in Mexico is perceived first and foremost as the boss ("el jefe" or "el patrón"). The boss is in charge and directs his subordinates, whose main job is to accept and follow his/her directive.

The work environment in Mexico can be extremely political. On the surface, the boss-subordinate relationship may seem fairly straightforward, but behind the scenes team members are usually jockeying for position, building alliances and doing whatever they can do to get ahead and advance their interests.

Mexican culture resembles a structured pyramid with an established hierarchy. People are often concerned with getting the short end of the stick and feel the need to fend for themselves amidst a system that is perceived to be rigged in someone else's favor. This can lead people to direct their attention to circumventing or outwitting the system (they will rarely challenge it head on).

Rank and position tend to speak louder than skills and credentials. This has evolved in recent times, especially in multinational companies, but it is still deeply ingrained in the modus operandi of Mexican business. Moving up the ladder depends on having strong connections and relationships.

The boss carries an aura of either father or mother figure. And depending on whether the company is run by male or female, the environment will shape itself as mostly patriarchal or matriarchal. One of the most complicated situations is when an organization has a mixed gender co-leadership, because in these cases the staff inevitably views them as mom and dad.

As a boss in Mexico, you should be keenly aware of these dynamics. If you wish to introduce a leadership style that departs significantly from the norm, people will need some time to adapt. Credibility may become a factor,

especially if the boss does not exert much authority – he/she might be perceived as weak or ineffective. Coherence may also become a factor, for instance, if people are encouraged to speak up but are then punished for doing so (they'll never speak up again!).

On the bright side, subordinates will tend to respond very well to a leader who is willing to teach them new things, offer a compelling vision and give them the tools to do their work better and develop themselves. More importantly, designing a system that is more conducive to benefiting everyone will be perceived as a breath of fresh air, because it gives them a sense of security and stability.

Dimensions. Power distance. At a score of 81, Mexico is a hierarchical society. This means that people accept a vertical command-and-control structure where everybody is expected to know their place. Hence, the separation between the powerful and the powerless is palpable – it can be observed in daily interactions between customer and retail clerk, teacher and student, boss and subordinate, parent and child. Being a service-oriented culture, Mexico's relational dynamics between classes are clearly delineated, hence people in lower positions commonly adopt a subservient attitude. Status is expected to be shown and decision-making is highly centralized. In organizations, people expect to be told what to do and challenging those at the top is generally understood to be a bad idea.

Individualism. With a score of 30 on this dimension, Mexico is considered a collectivistic society and its governing principle is the family. Though status is important from an external and material standpoint, Mexicans define their inner sense of worth and well-being largely on the basis of the quality of their relationships and networks of support. This principle may apply not only to relatives but also to circles of friendship, communities and work teammates. Therefore, building trust and loyalty is paramount. Additionally, Mexicans place high priority on protecting the harmony of the group. Standing out from the crowd is not as important as fitting in, belonging, and seeking safety in numbers. In organizations, people will err on the side of caution instead of rocking the boat.

Masculinity. Mexico scores 69 on this dimension and is thus considered a masculine society. Mexican "machismo" has been widely documented and talked about for decades, and it is still very much a hallmark of the culture. Although gender roles continue to be gradually redefined, there is still a clear separation between how men and women are expected to show up and

interact with each other. There is some degree of nuance to this dimension in Mexico, however. Masculinity tends to manifest strongly in the form of posturing, valuing hard work, showing toughness (e.g. Mexican wrestling is emblematic) and pursuing material success. However, it does not manifest as strongly in terms of competitive drive, high performance, the pursuit of victory and "being the best". Mexicans tend to avoid conflict yet they love drama (e.g. Mexican telenovelas have been exported to all corners of the world); they worship their mothers and grandmothers; and they rely a lot on their gut instinct and consensus building. In organizations, although personal advancement and recognition are key (clear masculine traits), group cohesion and team building tend to be more important than work output and efficiency.

Uncertainty avoidance. Mexico scores 82 on this dimension and thus has a very high preference for avoiding uncertainty. For an outsider, it may sometimes seem as if this is a country where laws are mostly recommendations (just drive around the streets of Mexico City for a day); however, Mexican society takes its unwritten rules very seriously (e.g. public etiquette, national pride, the nuclear family, etc.). People tend to be conservative in their ambitions and prefer to stick to proven methods, as well as rigid codes of belief (including religious doctrines). For instance, the refrain "más vale malo conocido que bueno por conocer" ("a known evil is better than an unknown good") is very popular in Mexico.

Additionally, physical and emotional security are of primordial concern. Mexicans tend to keep low expectations (e.g. how the soccer team will perform at the world cup). They are quite negative toward politicians and the legal system; and they can be fairly fatalistic in their general outlook of life. In organizations, people tend to prefer not changing employers if they can avoid it, they will rely on rules and process formalization, and focus more on executing than ideating.

Long-term orientation. The relatively low score of 24 means that the Mexican culture is normative. Mexicans exhibit great respect for traditions and norms (e.g. their love for historical monuments and "national heritage"), and tend to see truth as absolute (e.g. good vs evil) and treat societal change with suspicion. They have a relatively small propensity to save for the future, and focus their attention on achieving quick results. Importantly, their focus is on immediate needs, particularly those of their family and those for whom they are required to provide service. In organizations, Mexicans will tend to pay closer attention to job security, fair payment and the next paycheck, and

will devote less energy to thinking about the long-term viability of the business.

Indulgence. With a very high score of 97, Mexican culture has a definite tendency toward indulgence. Although working hard is an important value for Mexicans, they also know how to enjoy themselves and have a good time. For the most part, this is linked to their rich social lives, and the desire to connect with other people beyond their daily obligations. In other words, leisurely activities are to be shared with family and friends. That said, it is also a way in which Mexicans give themselves some degree of permission to be selfish (some would even view it as "self-care"), as it allows them to relax and lighten up. Eating and drinking is most certainly one of the favorite pastimes (Mexico has been the world leader in per capita consumption of soft drinks for decades, making it one of the highest-ranking countries in obesity).

However, it's worth noting that Mexicans tend to be very extroverted and very creative. Hence the arts, for instance, have played a significant role as social glue and a vehicle for self-expression and cultural identity over many centuries. In a way, the arts continue to bring out the optimistic (sometimes even sensual) side of Mexicans. In organizations, such optimism may come in handy as it helps employees regain some sense of control over their work life.

Analysis and discussion:

1. What are national comparative advantages of Mexican culture?
2. How could these national comparative advantages be used in business?

Internet exercise: BMW goes national and international [6].

BMW is an internationally known auto firm. However, in recent years the company has been finding that its success in Europe does not necessarily translate into the American market, the largest, richest target for overseas sales. Visit the BMW site at www.bmw.com and look at what the big automaker is doing in both Europe and the United States.

Compare and contrast the similarities and differences in these markets. Then answer these three questions:

1. How do you think cultural differences affect the way the firm operates in Europe and in the United States?
2. In what way is culture a factor in auto sales?

3. Is it possible for a car company to transcend national culture and produce a global automobile that is accepted by people in every culture? Why or why not?

Content module 2. National business cultures: the practice of cultural interaction

Topic 4. Classification of national cultures

Analysis of cases based on Hall's classification

E. Hall says that those who use low context communication style are "expected to communicate in ways that are consistent with their feelings, whereas a person from a high context culture will set the context and the setting and let the message evolve without referring to the problem directly". In the event of a conflict arising, high context cultures tend to use indirect, non-confrontational, and vague language, relying on the listener's or reader's ability to grasp the meaning from the context. Low context cultures tend to use a more direct, confrontational, and explicit approach to ensure that the listener receives the message exactly as it was sent [7].

The dialog in case 1 is a typical communicating failure happening between people from the two contexts.

Thought pattern is another distinctive characteristic within the two contexts. Low context cultures tend to emphasize logic and rationality, based on the belief that there is always an objective truth that can be reached through linear processes of discovery. High context cultures, on the other hand, believe that truth will manifest itself through non-linear discovery processes and without having to employ rationality. In conversations, people in low context cultures will shift from information already stated to information about to be given, while high context communication will jump back and forth and leave out detail, assuming this implicit between the two interlocutors. Also case analysis will be given in the following part to exemplify the two thought patterns.

High context communication was identified by Hall as involving "more of the information in the physical context or internalized in the person" [1]; greater confidence is placed in the non-verbal aspects of communication than the verbal aspects. Communication in low context cultures was identified by

Hall as "just the opposite of high context communication; i.e. the mass of information is vested in the explicit code" [1].

Face-to-face communication in high context cultures is thus characterized by an extensive use of non-verbal strategies for conveying meanings. These strategies usually take the shape of behavioral language, such as gestures, body language, silence, proximity and symbolic behavior, while conversation in low context cultures tends to be less physically animated, with the meaning depending on content and the spoken word.

Case 2 would be a good example to illustrate how the two contexts distinguish each other on the aspect of thought patterns.

Case 1. Directness vs. indirectness communication.

Mr. Jones: It looks like we are going to have to keep the production line running on Saturday.

Mr. Wu: I see.

Mr. Jones: Can you come in on Saturday?

Mr. Wu: Yes. I think so. (With a hesitant tone)

Mr. Jones: That'll be a great help.

Mr. Wu: Yes. Saturday is a special day, did you know?

Mr. Jones: How do you mean?

Mr. Wu: It's my son's birthday.

Mr. Jones: How nice! I hope you all enjoy it very much.

Mr. Wu: Thank you. I appreciate your understanding.

Analysis and discussion:

One of the problems in this case study is that Mr. Jones is being direct in his question while Mr. Wu is being indirect in his refusal. Firstly, Chinese people will choose to ask indirectly as a kind of suppose: "You don't have any arrangement on Saturday?" instead of asking: "Can you come in on Saturday?" since Saturday is not a workday and ask someone directly makes it as a kind of force. Mr. Wu on the other hand wants to refuse the requirement at the very beginning, and supposes his boss just offers a kind of euphemistic requirement. And to a Chinese, he will never refuse a boss's requirement directly. Therefore, when the boss asks whether he can come on Saturday, Mr. Wu has not answered "no" directly. Considering the "face" of the boss, Mr. Wu tells him Saturday is the birthday of his son as a hint of refusing. However, as one comes from a low-context culture who expresses

meaning in a direct way does not catch Mr. Wu's indication. That is the reason why the communication fails eventually.

Case 2. Linear vs. circular communication.

George Hall was attending a trade fair and looking for an opportunity to do business in China. He had been very successful in US and prided himself on his ability "to get things moving". Finally he approached Mr. Li's company which he thought would be most responsive to his products. Since he had read that Chinese find getting down to business immediately too abrupt and rude, he began a casual conversation, eventually leading up to the topic of his products and suggesting how Mr. Li's company might benefit from using them. George then suggested that he could arrange to get together with Mr. Li and provide more specifics and documentation on his products.

Mr. Li responded in fairly good English, "That would be interesting."

Knowing that he had only a few days left in Beijing, George wanted to nail down the time, "When can we meet?"

"Ah. This week is very busy," replied Mr. Li.

"It sure is," said George, "How about 10 o'clock? Meet you here."

"Tomorrow at 10 o'clock?" asked Mr. Li thoughtfully.

"Right," said George, "I'll see you then?"

"Hmm, yes; why don't you come by tomorrow," was the reply.

"OK," responded George, "It was nice meeting you."

The next day at 10 o'clock he approached Mr. Li's company's exhibit only to find that Mr. Li had some important business and was not able to meet with George. He called back later in the day and was told that Mr. Li was not available.

Analysis and discussion:

In this case, besides the difference of directness and indirectness, the failure also results from people's pattern of thought from the two different contexts. George Hall, coming from a culture of low-context has set his purpose at the very beginning of their communication. Thus all the words he used to convey his meaning goes to the object directly, and in his context, the purpose of communication or what the two talking about is involved in the situation that they may have a cooperation in the future. So when hearing: "That would be interesting." "Why don't you come by tomorrow." He takes it as an indication of allowance. However, for Mr. Li, who comes from a low-

context, he did not take their talking seriously. For him one time communication does not mean they will have a future cooperation. Moreover, he supposes George will not take his words directly when he uses an indirect refusing way.

Case 3. Verbal vs. nonverbal communication.

Li Hong is a Chinese student who studies in America. Before she went to America, she had never lived apart with her parents. Although Li Hong and her mates went well in study and daily life, there is still a thing that made her mates uncomfortable, that is, Li Hong seldom did cleaning of the room and never made up her own desk. Her roommates gave Li Hong some lighthearted reminders such as joking about how they hated cleaning, but this did not produce any positive results. So the American roommates decided to discuss the problem directly.

One evening in the room, one of her roommate asked: "We do not know whether it is the same situation in China that one needs to take the responsibility of cleaning the room on turn, but in America we do. It is really a problem troubling us, so can we have a talk?"

Li Hong was silent and stared at the table. Her mate tried again: "We hope you would spend time in cleaning the room, if you are busy all day long and have no time to do it, it will be ok, but just do it when you are not involved in some immediate situation."

Li Hong did not say anything. She did not look at her roommates and just stared at the table, with face turning into pale. Her mates tried again. "We're not angry, just confused, tell us what you are thinking. We want to understand your point of view."

More silence.

Finally, the roommates could not tolerate Li Hong's silence any longer. They became angry and one of them said: "You know, in this culture it's very rude to stay silent when someone is trying very hard to resolve a misunderstanding."

Analysis and discussion:

In this case, those American roommates finally got annoyed by Li Hong's silence, since Americans rely on talk to make an agreement and resolve a conflict, while Chinese use indirect ways and silence to pass their feelings. Actually, Li Hong is also angry when her mates continuously ask her

questions about the same subject which embarrasses her most. However, Chinese people tend to keep silent, using nonverbal codes to impart their feelings. Moreover, Americans go the opposite. For them meaning is conveyed through language not by guessing from others' performance or the circumstance they are in.

Analysis of cases based on Hofstede's classification

Professor Geert Hofstede conducted one of the most comprehensive studies of how values in the workplace are influenced by culture. He defines culture as "the collective programming of the mind distinguishing the members of one group or category of people from others" [25].

The six dimensions of national culture are based on extensive research done by Professor Geert Hofstede, Gert Jan Hofstede, Michael Minkov and their research teams [4].

The application of this research is used worldwide in both academic and professional management settings. The cultural dimensions represent independent preferences for one state of affairs over another that distinguish countries (rather than individuals) from each other.

The country scores on the dimensions are relative, in that we are all human and simultaneously we are all unique. In other words, culture can only be used meaningfully by comparison. The model consists of the following dimensions [25]:

1) *Power Distance Index (PDI)*. This dimension expresses the degree to which the less powerful members of a society accept and expect that power is distributed unequally. The fundamental issue here is how a society handles inequalities among people. People in societies exhibiting a large degree of power distance accept a hierarchical order in which everybody has a place and which needs no further justification. In societies with low power distance, people strive to equalize the distribution of power and demand justification for inequalities of power.

2) *Individualism Versus Collectivism (IDV)*. The high side of this dimension, called Individualism, can be defined as a preference for a loosely-knit social framework in which individuals are expected to take care of only themselves and their immediate families. Its opposite, Collectivism, represents a preference for a tightly-knit framework in society in which

individuals can expect their relatives or members of a particular ingroup to look after them in exchange for unquestioning loyalty. A society's position on this dimension is reflected in whether people's self-image is defined in terms of "I" or "we."

3) *Masculinity Versus Femininity (MAS)*. The masculinity side of this dimension represents a preference in society for achievement, heroism, assertiveness, and material rewards for success. Society at large is more competitive. Its opposite, femininity, stands for a preference for cooperation, modesty, caring for the weak and quality of life. Society at large is more consensus-oriented. In the business context, masculinity versus femininity is sometimes also related to as "tough versus tender" cultures.

4) *Uncertainty Avoidance Index (UAI)*. The uncertainty avoidance dimension expresses the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity. The fundamental issue here is how a society deals with the fact that the future can never be known: should we try to control the future or just let it happen? Countries exhibiting strong UAI maintain rigid codes of belief and behaviour, and are intolerant of unorthodox behaviour and ideas. Weak UAI societies maintain a more relaxed attitude in which practice counts more than principles.

5) *Long-Term Orientation Versus Short-Term Normative Orientation (LTO)*. Every society has to maintain some links with its own past while dealing with the challenges of the present and the future. Societies prioritize these two existential goals differently. Societies who score low on this dimension, for example, prefer to maintain time-honored traditions and norms while viewing societal change with suspicion. Those with a culture, which scores high, on the other hand, take a more pragmatic approach: they encourage thrift and efforts in modern education as a way to prepare for the future. In the business context, this dimension is referred to as "(short-term) normative versus (long-term) pragmatic". In the academic environment, the terminology Monumentalism versus Flexhumility is sometimes also used.

6) *Indulgence Versus Restraint (IVR)*. Indulgence stands for a society that allows relatively free gratification of basic and natural human drives related to enjoying life and having fun. Restraint stands for a society that suppresses gratification of needs and regulates it by means of strict social norms.

Case 4. Cultural profile of Egypt.

Egypt was one of the 7 Arab countries that participated in the Hofstede research. No separate scores for Egypt are available, unfortunately, for the first four dimensions. While we can make an educated guess for some dimensions, keep in mind that these are not scientifically validated [18].

Egypt is a remarkably homogeneous country, although there are certainly differences between the big cities (Greater Cairo and Alexandria), the countryside, Upper Egypt, the Nile Delta (Lower Egypt), the Suez Canal area, and the Sinai. However, in general, there is a clear Egyptian identity, and other Arabs will recognize an Egyptian.

The six dimensions of national culture in Egypt. Egypt is high on power distance, which means that less powerful members of the organizations expect and accept that power is distributed unequally. This also implies that Egyptians prefer a society in which hierarchy is clearly set and observed. There are significant differences in power and wealth, and people in the lower strata of society accept this. A good leader is a benevolent father who takes care of his people, and not just at work.

This also accounts for the differences in power between men and women. Power is attributed to men, a fact that women often accept. But take care: there is a large number of very successful and powerful Egyptian business women, especially from the higher echelons of society.

This hierarchical structure can be observed in Egypt from ancient times on, yet the younger generations are behaving more egalitarian.

Egypt is a collectivist country, which means that people mainly belong to "in-groups" that take care of them in exchange for loyalty. Therefore, loyalty overrides rationality as well as most of the societal rules and regulations. Family and old (school) friends are the glue to society, but also your religious affinity or the village or region you come from, even if that is 3 generations ago. Where you come from and where you belong to, determines your identity and the way people will treat you.

Egypt is strongly uncertainty avoiding, which means that people feel threatened by ambiguous or unknown situations. In Egypt, we see that the country is somehow lacking an innovative spirit and people are reluctant to change, notably the older generations. Egyptians are highly concerned with rules, regulating social behavior, controls, and respect for expertise. This may

seem odd to people who experience Cairo as a big loud mess and Egyptians in general as chaotic and never on time, but this loud demeanor, the drama and the hazardous driving are mere safety valves to release the stress caused by the relentless strive to control life.

There is no conclusive nor scientific prove of the position of Egypt on the masculinity dimension. However, Egypt is considered a relatively feminine culture, which implies that most Egyptians are not really assertive. They prefer harmonious collaboration over conflict and in general try to find a middle ground in arguments and resolve conflicts by compromise and negotiation. Their economies allowing, they would rather socialize with friends and family and they work to live, rather than the other way around. Jealousy can play a hidden and obscure role, and is a force to be reckoned with when dealing with groups of Egyptians.

On the other hand, Egyptians work very hard to get ahead in life, and in that sense, strive to achieve. They make excellent salesmen.

Egypt is very short-term oriented, which implies that most Egyptian people focus on achieving quick results. They tend to be normative in their thinking and show respect for traditions. They value steadfastness, a principled attitude and are wary of people who constantly change their minds. They call that "opportunism".

Also, with respect to indulgence, Egypt is on the very low side, in accordance with many other Muslim countries. It is obvious to note that Egypt is a very restrained country. Social obligations and duties are considered important, and it is not okay to go ahead and do as you please. Yet, Egyptians are known for their comedians, jokes and big parties in the rest of the Arab world. Egyptians certainly have fun! But at the right moment and in the right place.

Business is a serious matter and you should not come across as frivolous.

Some cornerstones of Egyptian culture. Egyptians are very hospitable and cordial. Do not be surprised if you are invited into their homes, although the invitation should be expressed three times, and you should decline twice. Building relationship is paramount, so do take the time to meet informally with your business partners and enjoy meals and outings together.

Islam is the major religion, with between 85 – 90 % of its population. Between 10 – 15 % of the population is Christian (Copts). Even in major

tourist areas on the Red Sea, religious duties are taken seriously. People will not appreciate it if you announce yourself to be an atheist or are critical of their faith. You risk losing your reputation if you do.

Major holidays are the Islamic Eid-al-Fitr (3 days) and Eid-al-Adha (4 days). During these holidays, there is no business, but celebrating with your business partners will be highly appreciated and encouraged.

Egypt is known for its television soap series, movies, theater, singers and amusement industry, not just in the Arab world but far beyond. Egyptians have been dubbed the Drama Kings and Queens of the Middle East. When you come from Northern Europe, you may find this "exaggerated behaviour", "overdoing it", "much ado about nothing." Be aware that Egyptians may find you, from Northern Europe "cold and aloof", "arrogant", "egoistic and blasé".

Women in business are a common feature, both in SMEs as well as in larger corporations.

When in Egypt it is good to know. It is good to have an intermediate who can assist with planning appointments and assist in interpreting Egyptian culture and the Arabic language.

Punctuality is relaxed; although as a foreigner you are expected to be on time.

People prefer relaxed conversation before and after business. Business and private are often mixed and your partner may have various business talks going on at the same moment.

Titles are important and should be included on business cards. When greeting Egyptians in a professional setting, formal forms of address should be used. When you have forgotten someone's name, it is perfectly okay to refer to him or her using the title:

Doctor, Muhandis (male engineer), Muhandisa (female engineer) or Ustaz (male) or Ustaza (female).

Alcohol is available in many places, although you should not ask for it if your business partner does not offer it. Women should refrain from drinking alcohol in public.

Do not table subjects as politics or religion yourself, but if someone else brings it up, listen interested. Be aware that emotions can run high on these subjects, and do not take a judging stand. Be aware that Egyptians are very capable readers of your mind and will notice a negative judgment immediately, even if you do not pronounce it.

Egyptians are excellent negotiators and many enjoy the game. Do not put all your cards on the table immediately, but join the negotiating game.

Body language. Loud talking and energetic gestures are common and do not imply imminent disaster. Egyptians tend to express themselves quite extrovertly, to the point that foreigners may think something really big is happening. This vehement expression does not mean you can be blunt or direct. Indirect and tactful communication is considered more polite.

Man-to-man: Greet your business partner with a firm handshake. If you know him well, hugs and kissing on the cheek can occur.

Man-to-woman: wait for her to offer her hand first. If she does not offer her hand, bring your right hand to your heart and nod slightly as a sign of respect.

Woman-to-woman: Apart from shaking hands, more touching occurs and the distance is very close.

Always greet the eldest person first; Egyptians hold great respect for the elderly.

Dress code. Business is a serious and formal matter and should be treated as such. You should avoid coming across as too frivolous and smiling, even if you have already developed a personal relationship. Dress up, polish your shoes, show you are important and a successful businessman.

Woman should in business situations cover their knees and elbows. Only when you see other women dress up more daringly, for example at a social event in Cairo or Alexandria, can you relax the standard. Check with the local women. In the countryside, women should dress conservative at all times, although they are not obliged nor expected to wear a headscarf.

Analysis and discussion:

1. Choose 7 – 10 words (small phrases of 2 – 4 words) to describe Egyptian culture.
2. What are cultural features of the decision-making process in an Egyptian company?
3. Suggest a list of practical recommendations for doing business in Egypt.
4. Compare national culture dimensions of Egypt and one East European country, one West European country and also one Asian country.

Topic 5. Organizational culture of a multinational organization

Case 1. ANZ Foundation [2].

ANZ Foundation was established in South Africa to promote and strengthen the social entrepreneurship field in the African region. An initial endowment established by a group of South African business groups provided the necessary organizational and program-related funding. The main organizational strategy has been to identify and support emerging social entrepreneurs by providing funding and networking opportunities. The organization has selected about 50 fellows so far and plans to select another 200 fellows in the next four years. ANZ recently formulated a team to refine and lead its communication strategy. The team has been charged with developing a stronger communications strategy for the foundation. The aim is to support the ANZ mission impact by making its achievements more visible globally, develop a virtual platform to strongly connect the existing and new fellows, and continuously strengthen engagement with different stakeholders. The core communication team consists of three members.

Saba Hassan is a 35-year-old Moroccan female who worked for a UN family organization program based out of South Africa for four years prior to joining ANZ. Saba grew up in Morocco as a Muslim in a well-educated, middle-class environment. She received her advanced training in communications at a French university.

Following the completion of her graduate degree she started working in the communications field at a private, for-profit organization within the service sector before she joined the UN project. She joined ANZ as the Director of communications and will lead the communications strategy development.

Lee Yong has a technology background. He became interested in the development sector during a six-month study-abroad assignment in East Africa. Before joining ANZ, he was with a Singapore-based technology consulting firm working on web marketing projects for NGOs and foundations in Asia and Africa. Yong is 32 years old and has been with ANZ for about six months coordinating the development of its new website.

Nkosana Siphos, a specialist in communications and marketing, is the third team member. He comes from the Xhosa tribe of South Africa. He attended University of Pretoria, studying economics and management. He

has been with ANZ since its inception about three years ago. He is 36 years old and has been working with international development organizations promoting social enterprise development in Sub-Saharan Africa prior to joining ANZ.

Over the past four weeks, the team has met about four times and is in the initial stages of articulating the overall strategy direction. Meetings usually start within thirty minutes of the scheduled time. Meetings appear friendly, and team members are respectful of each other. Nkosana enthusiastically participates in the team discussions and is comfortable expressing opinions when important points are to be made. Saba comes to the meetings well-prepared with the agenda and detailed relevant information. She feels that pertinent facts and detailed analysis are crucial to this strategy-development process.

Yong is usually quiet during these meetings. He speaks when he is invited to share his thoughts. Most of his contributions are confined to the technical matters. The team is expected to complete most of its work in the next five weeks and make a presentation to the top management team.

Analysis and discussion:

1. Choose one of the cultural frameworks above and apply it to develop some overall understanding of Moroccan, South Korean, and South African cultures. You may find it useful to conduct a basic Internet search to understand the cultural orientation of these countries.

2. Identify at least three cultural dimensions from the integrated framework above that explain the impact of culture on this team's dynamics.

3. What challenges and opportunities related to culture are presented in this case?

Case 2. A Euro-American female working in an Asian-American organization [2].

I am a Euro-American female who was working in an Asian-American cultural organization in the U.S. The executive director was born and raised in Panama and was of Chinese descent. Although she spoke no Chinese, had never been to Asia, and seemed to have only a very limited knowledge of Chinese customs or history, she appeared to identify strongly with both Asian and Latin cultures. She, for example, frequently prefaced statements with, "We Asians," or "We Latinos."

I gained the greatest amount of insight into my strengths and weaknesses as a manager in a multicultural setting from an unexpected event. After writing a document that was to be mailed to twenty Asian American and non-Asian community leaders, I gave a copy to the Executive Director for her review in accordance with procedures. I was expected to check all important documents with both the Executive Director and the Chairperson of the organization's steering committee.

At this time, she was running late for an appointment. Very quickly, she glanced over the papers, crossed out one of the sections and said she wanted it deleted. As it turned out, I had included that section for a very specific reason, which I then briefly explained. She responded by saying, "Then do whatever you think is best," and went on her way.

After carefully thinking about what had happened, I left the document in its original form, made copies, and posted them. I thought the Executive Director felt the reason I had given for including the section was sufficient.

When she returned from her meeting, however, I learned that this was not the case. She was upset I had not changed the document. I was surprised by her response and, initially, felt her reason was rather "unprofessional."

In her culture, she expected me to go along with her.

When caught in this type of misunderstanding, my first reaction was to judge the Executive Director from a very Western perspective and view her behavior in a negative light. Perhaps I would have been much less likely to respond this way if the whole scenario had happened abroad, where it is easier to keep my cultural biases in check.

Analysis and discussion:

In this case study, how successful is the Euro-American in using cultural intelligence?

Case 3. Five most important things to know about doing business in India.

India is a land of contrasts – rule of thumb: "Never assume and always reconfirm".

The two things I always ask my clients to pack in their suitcases while doing business in India: patience and flexibility.

Even after reading this document and several others, it is recommended that you take the time to observe, ask and learn while in different localities in India.

In India, generally, relationships trump merit and social status trumps relationships.

An ideal boss in India is one that earns respect through merit while gaining the trust of his employees by taking care of them like family [22].

A highly complex and often contrasting culture, India can be a confusing destination for most foreigners. With 1.3 billion people, 7 main religions, 23 officially recognized languages and various socio-economic strata, any general statement made about India and Indians can be at the same time true and frustratingly false. India is often referred to as a "cultural mosaic" that allows for diversity and where communities thrive while maintaining their cultural identities. Having a rich history of cultural influences from within and outside, the diversity is overtness. It is a common sight to see a temple and a mosque or church side by side, sharing a wall sometimes (see attached picture). Schools in India celebrate every festival, and public holidays include the festivals of all main religions. It is common to see people speak two different languages to each other and make themselves understood perfectly.

To the undiscerning eye, it may seem that India is a disarray of carelessly scattered cultural peculiarities, but when one looks closer, the ability of India to include is apparent – there is a place for everyone in this country, but to know that place is the cultural puzzle that one needs to solve to be a prominent piece in this mosaic.

India scores high on PDI 77, indicating an appreciation for hierarchy and a top-down structure in society and organizations (see more on: implication of high power distance for businesses).

India, with a rather intermediate score of 48 on IDV, is a society with both collectivistic and individualistic traits.

India scores 56 on the MAS dimension and is thus considered a Masculine society.

India scores 40 on UAI and thus has a medium low preference for avoiding uncertainty. In India, there is acceptance of imperfection.

With an intermediate score of 51 on LTO, a dominant preference in Indian culture cannot be determined.

India scores low of 26 on IVR, meaning that it is a culture of restraint.

Indian culture is pragmatic yet spiritual, religious rituals are commonly observed. The main religion in India is Hinduism (81 % of the population). Business is not conducted on the numerous religious holidays. India's innumerable festivals and traditions are perfect occasions for the mutual exchange of gifts: an established custom since ancient times.

The most famous festivals and events are Pongal (January), Sankranti (January), Holi (March), Onam (August), Rakhi (August), Ganesh Chaturthi (August), Dussera (September), Diwali (October), Eid (November). It is important to be familiar with these events and to anticipate them. Dates for the holidays change from year to year. Verify this information with the Indian Tourist Office or Embassy before scheduling your visit.

Analysis and discussion:

Give practical recommendations how to find, attract and retain employees and partners in India.

Case 4. Cultural profile of Kenya: organizational culture context.

Kenya has a very diverse population that includes most major ethnic, racial, and linguistic groups found in Africa. The total population is around 50 million. Swahili and English are the official languages. Swahili is compulsory in primary education and, along with English, serves as the main lingua franca between the various ethnic groups. Kenya's largest ethnic group, the Kikuyu, make up less than a fifth of the population. Other big ethnic groups are: Luhya, Kalenjin, Luo and others.

Since Kenyan independence in 1963, Kenyan politics have been characterized by ethnic tensions and rivalry between the larger groups, devolving into ethnic violence in the 2007 – 2008 Kenyan crisis.

At micro level the culture of Kenya is extremely diverse, as expressed by different rituals, languages, etc. However, at the level of values, as expressed in Hofstede model, they have a lot in common. Implications for work and life in those countries for foreigners are quite similar.

Kenya scores high on PDI 70, indicating an appreciation for hierarchy and a top-down structure in society and organisations. The meaning is that there is much inequality in society in general and in organisations. Especially if your own cultural background is one of less power distance, this may be challenging. For doing business, there are important implications: your behaviour in general in terms of dealing with other people, decision making, etc.

Kenya, with a low score of 25 on IDV, is a society with predominantly collectivistic traits. Apart from many other things, the implication is that all people are members of large in-groups (your direct family, your village, your tribe). Mutual loyalty, responsibility and trust are important characteristics, applying only in the in-group.

Kenya scores 60 on MAS and is thus considered a Masculine society. Status symbols, like titles (Mr., Dr., etc.), gadgets, cars are important symbols of who you are and your achievements in life.

Kenya scores 50 on UAI; it is a mix of characteristics. For example, rules are important and yet applied with flexibility.

Probably Kenya has a short-term orientation about 30 on LTO; the focus on today is stronger compared with their focus on the future.

Kenya has a low score of 40 on IVR, meaning that it is a culture of restraint. The practical meaning is that Kenyans take life and work seriously, yet not extremely. There is also need for enjoying life.

Some cornerstones of Kenyan culture. There are some major differences between Kenyan and most western cultures. The differences relate to, amongst others, inequality in society and the way people relate to each other.

A striking feature of Kenyan culture to most westerners is the way people deal with each other in hierarchical terms. Inequality between people is considered "normal". Inequality depends on the relative position of a person in a particular situation: elderly people are respected, as well as anybody else in a more senior position. For foreigners from more egalitarian cultures, this might be complicated: who is who, and what is his/her position?

In most western countries private and working life are, more or less, completely separated, while in Kenya relatives come in first place – always. The expression "time is money" does not necessarily apply in Kenya, as it does in many western countries. Therefore, don't be offended if appointments start late or are cancelled unexpectedly; it could be that something more important (i.e. family related) had to get priority. An apology will or will not be offered.

In spite of the fact that Kenyans are generally very dutiful, the merry characteristics of Kenyans can simply be described as jolly. Kenyans love to celebrate and have fun. Kenyan festivals feature a vibrant culture, heritage and most importantly pride. For an overview of holidays, see [27].

Below you will find practical advice on what to do or not to do. Make sure to get a "correct" introduction; it would help a lot to be supported by your embassy, or someone close to the other party.

Make sure you get in touch and do business with people at your level. If you are the CEO, you will speak only with the highest person in charge. If you are not the CEO, make sure that you have the "right" status and position (at least on your business card) to negotiate on behalf of your organisation.

As relations are extremely important, it is prerequisite to make time and be available. Your time may be limited, and from a Westerners' perspective there may be no need to spend so much time on getting to know each other. A potential trap is to be "pushy", seemingly being too eager to get a contract; such an attitude will backfire.

In social life there may be something like flexible time. However, especially in the private sector, it is important to be punctual for your appointments and business meetings. In case your host is delayed, be patient; you can be sure something important has happened needing to be taken care of first. In government offices and in the countryside, punctuality is probably less adhered to. It is important to reserve some time for relationship-building and, for example, to invite your colleagues to dinner in order to get to know them better.

If invited by your host to their home, this is a sign of trust. From your side, you may consider to invite your business partner for a dinner to support development of trust.

Developing trust is a necessary requirement for everyone who wants to do business in Kenya. The way to achieve trust is by informal conversations and get-togethers frequently. Small talk (no heavy political issues) is fine and may include family: your children and your family in general. Politics and religion are subjects to be omitted at the start. Therefore, it is advisable to arrive timely at your appointments, to take your time for these "rituals".

Schedule business appointments in advance. Remember that once you are familiar with your host, you may drop in (via secretary) without appointment.

Like in many other African cultures, a Ph.D. or a physician is called "Doctor". Be formal in addressing people: Mr., Miss, Mrs.

Good conversation topics: history, culture, soccer, coffee; in general, topics that may not cause embarrassment. Bad conversation topics: drugs, traffic, politics, religion.

Analysis and discussion:

Give practical recommendations how to find, attract and retain employees and partners in Kenya.

Case 5. Cultural profile of Peru: organizational culture context.

Patience and tolerance: regarding time and deliveries, with both employees and partners are desirable.

Respect for hierarchy: Peru is a highly hierarchical and centralized country that resembles the Inca structure. Bosses consider their employees as being of a different kind of person, particularly if they come from indigenous origin.

Motivation to work: Peruvians can be perceived by expats as lazy. However, a lower motivation for reaching the objectives is related to the fact that their preferences go through human contacts and family, over personal recognition and/or wealth [19].

The Andean region was the center of an important and original civilization at the dawn of History. Today's Peru occupies the center of that geographic space that houses the main archaeological heritage of South America. The syncretism and interaction within different ethnicities characterize all cultural processes, languages, worldviews and ancestral traditions, sustaining the identity of its peoples, being an essential part of its diversity.

The Spanish arrival in Peru altered the Andean cultural process and meant the birth of new Creole and mestizo expressions and manifestations. Castilian Spanish, art, literature and the Christian tradition of Europe, together with the Andean tradition, form the backbone of Peru today.

To the European cultural contribution, fundamentally Hispanic, the African cultural presence is added with the culinary, traditional dances and musical influence – one of the richest in America –, as well as poetry. Subsequently, the Asian presence displays a change in Peruvian gastronomy, providing cooking techniques as well as the innovative use of ingredients from Peru.

Peru has a pyramidal organization that means that you must expect loyalty, hierarchy and implicit order.

Partners. The main issue when it comes to finding and retaining a partner has to do with connections. In a country where clientelism is accepted, you must bear in mind that your partner must be a person

connected to various companies and circles of influence. That is the way you will have to start the business. Also, to retain it, you must build a relationship of trust that goes beyond doing business. This involves going out to eat, meetings during the weekend, meeting family and friends, among other relationship-building rituals. Remember that for this type of society, the relationship is above tasks; make sure to invest time to generate this.

Hiring employees. Hiring and layoffs are relatively simple due to the degree of informality (working under the table) existing in the country. The way of hiring is usually by acquaintances, recommendations, and exchange of favors, it is a society where patronage and clientelism are accepted. Therefore, your employees will expect favors in exchange for loyalty.

Employees are often hired for short periods, the legislation is flexible, good treatment is highly valued, and employees value being hired by foreigners. Work is flexible; Peru has a very high level of informality, being above 60 % in urban areas and above 80 % in rural areas, reaching in some places, more than 90 %. The cost of hiring is high, and for this reason, many companies hire under a "payment of fees" modality, something like outsourcing, so they significantly reduce their costs.

Companies that want to do business and hire workers in Peru should know all the local payroll rules and how to comply with payroll cycles. Peru's Length of Service (CTS) compensation is a legal benefit granted to workers for the time they spend working for a company, which is done at the time of retirement. The CTS is deposited every six months in the bank of the worker's choice. Employers deposit 50 % in May, for the period worked from November to April, and 50 % in November for the period worked from May to October. If a business fails to submit the CTS payment in a timely manner, it will be required to pay interest accrued from the due date to the date the payment is made.

Regarding the bosses. Employees respect the hierarchy 100 %. Being a society with a great acceptance of unequal distribution of power, the boss is seen as a father/mother who takes care of them but also gives orders. Orders are always top-down and instructions are very important. If employees are left without a mandate, they should consult their bosses for instructions. You should not expect total autonomy from your subordinates. Employees value commitment and compliance with legislation since they cannot always count on it (as we saw, informality is very high). The "problem" that a foreign boss

may face is the feeling that the employees lack "autonomy", as they will be waiting for you to tell them exactly what to do, how and when.

Decision-making. There is also a great need for centralization in decision-making and formalization. Often you will find that everything is written and there are many rules and procedures (even if they are not followed) due to the high intolerance to uncertainty.

Motivation. Motivation has to do with the "reward and punishment" Promotions are usually linked to personal relationships and not so much to employee performance. Keep in mind that control is expected by subordinates, as is centralized decision making. Do not expect a lot of innovation from employees, since this type of behavior is usually sanctioned because people are expected to follow what was ordered. If you come from a society where the distance to power is not high, try to give clear instructions to your subordinates, show interest in their work, try to be present, ask about their families and be considerate.

Analysis and discussion:

Give practical recommendations how to find, attract and retain employees and partners in Peru.

Topic 6. Motivation and leadership styles in different countries

Case 1. Taiwan: cultural features of management [6].

Taiwan is an island located 100 miles off the southeast coast of the China mainland. Taiwan is only 13,900 square miles, and with a population of approximately 23 million, it has one of the highest population densities in the world.

In 1949, the communists under Mao Zedong defeated the Nationalists under Chiang Kai-shek and the latter government moved to Taiwan, where it established dominance. The People's Republic of China still considers Taiwan to be a breakaway province, and tensions between the two flare up frequently.

The government of Taiwan was totally controlled by the Nationalists until 1996 when the first democratic election was held. In 2000 the Democratic Progressive Party candidate, Chen Shui-bian, was elected

president for a four-year term, although the Nationalist Party continued to hold over 50 percent of the seats in the country's parliament, the Legislative Yuan. He was reelected by a narrow margin in March 2004 after an apparent assassination attempt appeared to bolster his position.

The country's gross domestic product is approximately \$406 billion and per capita GDP is around \$18,000. In the late 1990s many Asian economies slowed down sharply, caught in a vicious economic crisis. Japan, South Korea, Indonesia, Thailand, and Malaysia all saw their GDP growth decline, and some of them, especially Japan, are still running budget deficits as high as 10 percent of GDP.

Taiwan, on the other hand, had steady GDP growth in the range of 6 percent throughout this period. In particular, the country's economy has been managed carefully through a combination of tight exchange controls, low foreign debt, conservative fiscal policies, and relatively austere and transparent banking.

Taiwan is one of the 15 largest trading powers in the world, and one of the strongest sectors of its economy is information technology. The value of computer-related products produced in Taiwan is over \$35 billion annually. Taiwanese manufacturers build two-thirds of the motherboards and keyboards sold worldwide, in addition to 60 percent of the monitors and almost 40 percent of the notebook PCs. A number of major high-tech firms have set up operations on the island, including Sun Microsystems, Microsoft, and Intel. All three realized that costs here are lower than in most other places and the quality of the workforce would allow them to produce state-of-the-art products. Other firms, including locally based manufacturers, also followed this strategy. As a result, by the mid-1990s Taiwan had leapfrogged South Korea in the production of PCs. Some of this success was a result of Taiwanese firms entering into a series of private-label contracts with U.S. importers.

By the late 1990s Taiwan-based chipmakers were investing billions of dollars annually in semiconductor fabrication plants. By 2002 annual investment in research, development, and new capacity was in excess of \$17 billion. The world is so dependent on Taiwan for computer-related equipment that when a devastating earthquake hit the island in September 1999, the global informational technology (IT) market shuddered and the price of PC chips immediately rose sharply.

Although the IT companies emerged relatively unscathed, the incident served to underscore the importance of Taiwan's semiconductor, electronic components, and PC industry. During the first decade of the millennium Taiwan's importance in these areas is likely to grow [16].

Analysis and discussion:

1. What are some current issues facing Taiwan? What is the climate for doing business in Taiwan today?
2. In terms of cultural dimensions, is Taiwan much different from Ukraine? Why or why not?
3. In what way might culture be a stumbling block for firms seeking to set up businesses in Taiwan?
4. How are the three high-tech firms in this case managing to sidestep or overcome cultural barriers?
5. What are cultural features of motivation and leadership style in Taiwan? Why is it so?

Case 2. Cross-cultural features of management [6].

A successful, medium-sized U.S. manufacturing firm in Ohio has decided to open a plant near Madrid, Spain. The company was attracted to this location for three reasons.

First, the firm's current licensing agreement with a German firm is scheduled to come to an end within six months, and the U.S. manufacturer feels that it can do a better job of building and selling heavy machinery in the EU than the German firm. Second, the U.S. manufacturer invested almost \$300 million in R&D over the last three years. The result is a host of new patents and other technological breakthroughs that now make this company a worldwide leader in the production of specialized heavy equipment.

Third, labor costs in Spain are lower than in most other EU countries, and the company feels that this will prove extremely helpful in its efforts to capture market share in Greater Europe.

Because this is the manufacturer's first direct venture into the EU, it has decided to take on a Spanish partner. The latter will provide much of the on-site support, such as local contracts, personnel hiring, legal assistance, and governmental negotiations. In turn, the U.S. manufacturer will provide the capital for renovating the manufacturing plant, the R&D technology, and the technical training.

If the venture works out as planned, the partners will expand operations into Italy and use this location as a jumping off point for tapping the Central and Eastern European markets. Additionally, because the cultures of Spain and Italy are similar, the U.S. manufacturer feels that staying within the Latin European cultural cluster can be synergistic. Plans for later in the decade call for establishing operations in northern France, which will serve as a jumping-off point for both Northern Europe and other major EU countries, such as Germany, the Netherlands, and Belgium.

However, the company first wants to establish a foothold in Spain and get this operation working successfully; then it will look into expansion plans.

Analysis and discussion:

1. In what way will the culture of Spain be different from that of the United States?

2. If the company expands operations into Italy, will its experience in Spain be valuable, or will the culture be so different that the manufacturer will have to begin anew in determining how to address cultural challenges and opportunities? Explain.

3. If the firm expands into France, will its previous experiences in Spain and Italy be valuable in helping the company address cultural challenges? Be complete in your answer.

Case 3. Sources of power in a multicultural team [2].

Kevin, an Indonesian male, was put in charge of a global team of a Danish male, a Columbian male, a Ugandan male, a Japanese male, and a Thai female (Melanie). The water resource management NGO for which they worked was recruited to help develop a sustainable water-safety management system for the Northern Indonesian region. The team's task was to work together to determine the best location to begin the project. Kevin told everyone to consult him before any action was taken because he understood the Indonesian people better than anyone else in the team, and he stated that he felt that the central Java island was where they should begin. He also announced that he had spent significant time with the chief regional manager, which gave him a clear understanding of what everyone needed to do for the success of the project. He assigned members to complete tasks according to their reported skills and gave them economic reports on Indonesia to study.

Each person's progress would be reported to the regional manager and those making good progress were sure to join him on the next project. He stated that the criteria for joining him included demonstrating the ability to work in harmony with each other and completing all of their individual tasks. Kevin also asked members for feedback on his leadership, which he said could be given to his face or anonymously in writing.

Melanie immediately responded by identifying some of the errors in the regional resource management reports, which wrongly identified safe zone areas that had recently been declared as unstable tectonic regions. Kevin immediately recognized Melanie's knowledge of local geography and her obvious background experience in water resource management. Kevin pointed that Melanie was correct and he announced that he would be having some deeper discussions with Melanie before he made any final decisions. Melanie told Kevin that there were team members with much more knowledge about Indonesia than he had given them credit for and that he should let members discuss their strengths and areas of expertise, which she stated might be different from what was recorded on their resume. Kevin listened to Melanie carefully and acknowledged that he rushed things and that he should have given some time for members to discuss their areas of expertise and experiences in more depth, and he requested Melanie to lead the discussion on this.

At the end of the meeting, Kevin requested to have a private meeting with Melanie, where he told her that he felt as though she was challenging his authority and although she had some very good knowledge and experience, he would prefer if she would behave like an Asian woman and speak to him privately about her views. Melanie apologized to Kevin for any behavior that seemed offensive but reaffirmed the importance of letting team members have a say in the tasks that they wanted to work on since she felt that it could lead to greater success of the team. Melanie gained the admiration of the team (who perceived her as their informal leader) for the remainder of the project. Kevin reaffirmed what he said at the beginning about his expectations and the criteria for working on subsequent projects, and informed Melanie he would prefer that she write some of her thoughts and views on a piece of paper and pass it to him before she spoke openly about any issue that would challenge his credibility.

Analysis and discussion:

1. What are the sources of power being used by Kevin and Melanie?
2. What mechanisms are being used to restrict the use of coercive power?
3. Identify examples of reciprocal influences used in this case.
4. What other recommendations would you give to this team to restrict abuse of power by Kevin?

Case 4. Power styles in a multicultural team in a graduate school [2].

Mary, Suki, Cheda, Ally and Josh are members of an international multicultural team recently formed in a graduate school class to create a team charter and get to know each other. Mary is an American female who has been working in the nonprofit field in various countries as a manager for many years.

Suki is an Asian female, recently graduated, with one year of work experience as a Peace Corp volunteer. Cheda, also an Asian female, has worked in the corporate world for many years as a manager.

Ally, a middle-aged African male, has worked as a project field officer for many years in different regions of the world. Josh, who is a much older western European male, grew up in several non-Western countries but now resides in Latin America and works as a farmer on a ranch. He has good relationships with Suki, Cheda, and Ally, having lived in all of their native countries and having spent time with them during the previous week of orientation.

Mary immediately identified what she thought should be the name of the group, stating with much enthusiasm and passion that she had spent much time in her job working on strategic plans and felt that the name of the group was a critical part in shaping its purpose. She provided information from several of her experiences and research, which supported her position.

However, Josh verbally expressed his disagreement with Mary, stating that it was best to begin by getting to know each other better. He proceeded by stating all of the positive things he had observed about each team member, including Mary. His rationale was that this would give members a chance to know each other's strengths, and he also reassured Mary that her idea could then be pursued.

Cheda commended Mary for her knowledge and urged the team to listen to her because of her experiences, but also stated that the team should

listen to Josh. Mary rebutted by stating how many years experience she had as a manager with organizations like the United Nations and Habitat for Humanity. Ally, after being very quiet, summed up what she perceived to be happening and said she felt they should approach the professor about the situation. She thought they needed to get one leader first so that they could have someone to follow on these issues. She asked Suki, who had not spoken, how she felt about the situation. Suki said that she did not have an opinion, and suggested that the team vote on the course of action.

Analysis and discussion:

1. What are some examples of the power styles used, naming the persons using them?
2. What power styles were effective?
3. What were the influence tactics that were used by team members?

Case 5. Implementing ubuntu in a multicultural team [2].

In teaching the concept of ubuntu in her graduate classes, Professor Gordo requested that members of her course on team effectiveness work in teams of five, and meet on five occasions after the first formal class session. In each of these sessions there was supposed to be a facilitator/leader, and a recorder, with these roles being rotated for each session, with everyone getting an opportunity to function in both roles. The aim of these sessions was for team members to get to know each other's style of leading meetings and any cultural backgrounds associated with their styles, and to discuss ways they would like to work together.

The following is an account of the interactions of one team comprising a West African female, a Central Asian female, an Eastern European male, a Midwestern American male, and a South American male. In the first meeting, the West African female was assigned to be facilitator. The facilitator arrived 15 minutes after scheduled time for the meeting, which was perceived by the European and the Asian as disrespectful. The facilitator greeted everyone with a hug and encouraged them to eat the food she had brought. The European and Asian commented on the late start and urged all to eat quickly so they could get to work. The facilitator smiled and asked people not to worry about the time, explaining that meetings in her culture involved ceremony. She introduced a song to the team, teaching the chorus to

everyone and having them repeat it, although all team members did not do it enthusiastically.

After the team had eaten, the facilitator then explained the values that were important in her culture and invited members to describe how meetings in their cultures differed from how she conducted the meeting and to identify the most important values associated with these meetings. The European began by stating appreciation for the food, but indicated the importance of beginning meetings on time. The American expressed gratitude for the song, but stated that he was uncomfortable with the expressions of affection. The South American expressed comfort with affection, which he stated was part of his culture. The Asian female stated that in her culture, the facilitator would have been more assertive.

Analysis and discussion:

1. What are the cultural dimensions that appear relevant to how the team functions together? Justify your response with specific reference to members' behaviors or statements.
2. What issues other than culture seem to be relevant in this case?
3. How effective was the facilitator's attempt to implement the concept of ubuntu?
4. What do you recommend as the next steps for the team in order to fully realize ubuntu?

Case 6. Safe and productive relocation of refugees [2].

Rescue Humanity (RH) is a human rights organization working in the Asian region to save the lives of people who are at risk for human rights abuses by their governments. It is also involved in providing vital information to policy makers in Washington D.C. on the state of human rights violations in several Asian countries. RH's headquarters is located in the United States, with a subsidiary office in Southern Asia. Recently, citizens have been complaining about the problems caused by immigrants being brought into their countries. Staff members from the Asian office have been complaining for years about the need for RH headquarters to give more autonomy to the Asian office so that they can respond to issues arising in Asia more quickly.

Rescue Humanity recently formulated a team to focus on addressing the issues related to immigrants whom they brought into these Asian

countries, specifically looking at job opportunities, leadership issues, and the negative media attention RH was receiving.

The team that was formulated to look at the issues occurring in Asia consisted of the executive director, who is an American female (Tara); the Asian office manager, who is a Japanese male (Chi); the public relations officer, who is an Asian female; the organization's United States (male) lawyer; the female European human relations manager, and the chief program developer, who is a male refugee from the country with the worst human rights abuses, but recently became a legalized citizen after many years of petitioning the government. Tara was the only member of this newly formed team that was based in the United States; all of the other members were based in the Asian office.

Tara held a private meeting with Chi before meeting with all of the members of the team from the Asian office. The purpose of this meeting was to find out what might be the best way to conduct meetings with the members and how they should function as a team. During this meeting it was decided that Chi would take on the role of facilitator for the first meeting, while Tara would be the scribe. They felt that having the executive director performing the role of scribe would provide a symbolic gesture as to the manner in which she was intending to work with Chi and this new team. They also felt that it would give Tara the opportunity to understand and work with team members, since it would give her an opportunity to interact with team members but not dominate the meeting.

In the first meeting, Chi asked team members to state their most important values and to describe how these values might impact the way that they work together. All team members except the American and the European, said that they wanted Chi as their spokesperson, stating that they wanted him to make final decisions, although they would like to be consulted about any decision.

Chi stated that it was okay to have different views on how decisions were made, and encouraged anyone who had difficulty with the issue to speak openly about it or speak privately with him.

Tara requested that team members give her feedback about the way she interacted with them, emphasizing that she did not want to disrupt the way they did things. Chi informed team members that they were also welcomed to give feedback to anyone in the team, and that they could also do this through a third party rather than giving it to people directly. It was also

requested that they state what they thought the goals and purpose of the team were and to identify ways they would like to monitor their progress. Most of the goals that were stated by the members related to the way in which headquarters worked with the Asian office. Chi indicated that the other problems that arose, such as the escalating number of unemployed refugees brought into the border countries, were related to the limited authority and resources which the Asian office had, which resulted in their inability to respond appropriately to the developments within the Asian region. The American lawyer stated that the nature of the work in Asia was different than in America and the amount of networking needed to get the work done was much more complex than in the United States, and emphasized the need for more resources and expertise. Chi asked the other team members who had not spoken if they had any special concerns that they would like to express, and he suggested that the team divide into pairs and talk about some of the issues and record them on sheets of paper and then present them to the team. During this time, the Asian team members were more candid about what they considered to be the issues related to employment and they also raised many issues related to internal relations within the Asian office. Some of the issues included the refusal of the non-Asian members of staff to contribute some of their salaries to help with providing jobs for the refugees; and the way they were talked to by some of the non-Asian staff.

Analysis and discussion:

1. What were the core processes used by the executive director to show that he was willing to share leadership?
2. What leadership roles were utilized, and how successful were they?
3. What influence tactics were utilized by the Asian director to influence team members to become fully involved?
4. How could the executive director have shared leadership more effectively?

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НАВЧАЛЬНЕ ВИДАННЯ

КРОС-КУЛЬТУРНИЙ МЕНЕДЖМЕНТ

Практикум
для студентів спеціальності 073 "Менеджмент"
першого (бакалаврського) рівня
(англ. мовою)

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Наведено практичні ситуації, що характерні для сучасних багатонаціональних організацій, і відповідні вправи, щоб допомогти студентам у застосуванні на практиці отриманих теоретичних знань і навичок та формуванні відповідних професійних та загальних компетентностей.

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