

Cross-cultural Differences in Management

Tagreed Issa Kawar

Princess Sumaya University for Technology

P. O. Box: 1438 Al-Jubaiha 11941

Amman – Jordan

Abstract

This research aims at studying cross-cultural differences in management. There are areas in management whereby differences towards attitudes, behaviours, functioning, communication issues and cultural implications can be seen. Cross-cultural differences stem from the different backgrounds of each culture. Cultural varieties may be witnessed in the workplace, and there are other factors introduced such as reaching sales targets, meeting deadlines, working on tight budgets, which may cause conflict. Because of the differences in cultures, there might be some kind of misunderstanding among people working in the same organization due to their different values, beliefs, backgrounds, etc. For a successful management, any person should be able to work with people from different cultural backgrounds no matter what their cultural orientation is. An evidence on this is the successful management of many western companies operating in different parts of the world such as the Middle East and they come up with good managerial results.

Keywords: Cross-cultural Differences, Management, Culture.

1. Introduction

To start with, there has to be a good definition of the expression “culture” which can be defined as the inherited values, concepts, and ways of living which are shared by people of the same social group. To make the definition clearer, culture is divided into two kinds; the first is *generic culture* which is a shared culture of all humans living on this planet. The second is *local culture* which refers to symbols and schemas shared by a particular social group.

As is known, the world is becoming nowadays a global village, in the sense that the technological achievements of this modern time have brought people closer together. This also means that people from different parts of the world and with different cultural backgrounds are working and communicating together. This fact is in a way interesting, but dealing with people from different cultures requires knowing the cultural diversities; for instance the way we deal with them, what we say and what we should avoid saying, how to communicate and to be aware of the cultural taboos because what is accepted in one culture might not be accepted in another. What applies to every day communication among cultures applies to communication in the workplace. Working with people in an organization requires dealing with certain issues such as motivating employees, structuring policies and developing strategies. In this case, there has to be a kind of understanding of the cultural diversities in order to apply the afore-mentioned issues in the workplace.

To give a broader definition of the word culture, the word comes in two meanings. The first meaning is “civilization” which entails arts and crafts, education and manners. While the second meaning refers to the way people think, feel and act in accordance with the values and norms dominant in their society. According to Hofstede Geert, culture is defined as “*the collective programming of the mind distinguishing the members of one group or category of people from another.*” In simple words, culture refers to the values known to a certain ethnic group of the same social background.

Most of one’s culture is acquired during childhood, before puberty. Humans at an early age have the ability to absorb cultural norms from their cultural surroundings, from parents, siblings, playmates... etc. Therefore, culture helps people to function smoothly within a specific society. There are certain levels at which a culture can work:

- 1.1 National level: It is well known that national cultures differ at the level of unconscious values which are acquired during childhood and these national cultures are stable, the afterward changes that occur are practices whereby the underlying values are left untouched.

- 1.2 Organizational level: Organizational cultures differ at the level of practices which can be described as superficial and they are to some extent manageable. These organizational cultures differ from one company to the other within the same country.
- 1.3 Occupational level: This kind of culture comes between the national and organizational cultures; getting into an occupation such as teaching requires the social values acquired coupled with the practices of the organization.
- 1.4 Gender level: Gender differences are recognized within the same culture, there is what can be called a *men's culture* that differs from a *women's culture*. Technically, men and women have the ability to perform the same tasks at the workplace, but they have differences when it comes to responding to the symbols used in society. The differences between men and women highly depend on the national culture of the country.

2. Cross-cultural Differences in Multi-national Corporations

Geert Hofstede is a sociologist who studied employees working in a multi-national corporation (Reynolds & Valentine, 2011). He described four ways that can help in analysing and understanding other cultures as follows:

- 2.1 Individualism vs. Collectivism: In some cultures, the individual is emphasized while in others the group is emphasized.
- 2.2 Power distance: The culture that believes that organizational power should be distributed unequally.
- 2.3 Uncertainty avoidance: Hofstede found that some cultures tend to accept change as a challenge while others don't.
- 2.4 Masculinity vs. Femininity: Hofstede himself tends to reject the terms "masculine" and "feminine". These two terms should be overlooked in order to value other issues which are more important to the organization such as achievement and assertiveness.

Since culture may be defined as "the inherited values, concepts, and ways of living which are shared by people of the same social group." Culture is not possessed by a certain social class; in fact each and every person has not only one culture but cultures which causes the complexity of the term. Culture can be defined as "dynamic" in the sense that it changes over time, this change in culture might also lead to conflict.

In order to better understand culture, there has to be an understanding of the conflicts that may arise due to differences among cultures. According to Avruch (1998), who wrote a paper on cross-cultural conflict, he defines conflict as follows:

"a competition by groups or individuals over incompatible goals, scarce resources, or the resources of power needed to acquire them. This competition is also determined by individuals' perceptions of goals, resources, and power and such perceptions may differ greatly among individuals. One determinant of perception is culture, the socially inherited, shared and learned ways of living possessed by individuals in virtue of their membership in social groups."

To give a definition of the word conflict, it is a characteristic that can be found in any human society and may occur as a result of any kind of social interaction. Conflict that might take place among cultures might face problems of intercultural miscommunication and misunderstanding. Such problems will cause an increased conflict. In addition, culture may work as a link between what we call "an individual identity" to "collective ones". In order to understand the complexity of conflict, it has to be born in mind that conflict is not a matter of the one who wins takes it all, so conflict involves both competition and cooperation mixed together (Avruch, 1998).

In order to narrow the scope of this research, the conflict that might happen between individuals from different cultural backgrounds can be considered a "cross-cultural conflict". Conflict may occur within the same social group according to different criteria: such as families; language; religion; ethnicity; nationality; socioeconomic characteristics; education; occupation among others. Thus, any society is made up of various "subcultures", by virtue members of any society are "multicultural".

3. Cross-cultural Management

According to Nancy Adler (2008), she gives a good definition of cross cultural management:

“Cross-cultural management explains the behavior of people in organizations around the world and shows people how to work in organizations with employees and client populations from many different cultures.”

The importance of cross-cultural management lies in the on-growing co-operation between companies in different countries where difficulties may arise because of the different cultural backgrounds.

One of the well-known researchers in the field of culture and management is Geert Hofstede (1980). Therefore, Hofstede’s work is considered indispensable to any study on culture and management. He developed what is called a “dimensional approach to cross-cultural comparisons.”

As the world is witnessing nowadays “globalization”, more and more companies are being run in different places all around the world. This will result in more activities all over the world which result in communication across cultures. Culture is something that human beings learn and as a result, learning requires communication and communication is a way of coding and decoding language as well as symbols used in that language. For example, humans communicate through many means other than language such as facial expressions, gestures, body language, posture etc.

In other words, culture and communication can be considered inseparable, if one is to be exposed to a certain culture, then communication becomes a must. The first to introduce the term “intercultural communication” was Edward T. Hall which he defined as “communication between two persons of different cultures”. The term “Intercultural business communication” is a new term in the world of business which may be defined as the communication that takes place within businesses whereby there are employees from different cultural backgrounds. On the other hand, there is another term which is “International communication” which means the communication that takes place between nations and governments rather than individuals (Chaney & Martin, 2011). Therefore, good knowledge of intercultural communication as well as international business communication is of utmost importance to give individuals the opportunity to compete internationally.

4. Cultural Intelligence

In order to live within a specific culture, the individual is supposed to adapt with the differences in that culture. According to Peterson (2004), Cultural Intelligence is the ability to exhibit certain behaviors, including skills and qualities, which are culturally tuned to the attitudes and values of others.

Cultural Intelligence covers other areas (Chaney & Martin, 2011) such as:

- 4.1 Linguistic Intelligence: It is helpful to learn about the costumers’ native language and using international business English can increase effectiveness when communicating with persons of other cultures.
- 4.2 Spatial Intelligence: It involves the space used during meetings and introductions.
- 4.3 Intrapersonal Intelligence: It involves awareness of one’s own cultural style in order to make adjustments to international counterparts.
- 4.4 Interpersonal Intelligence: It includes the ability to understand other people and their motivations.

In simple words, when dealing with people from another culture, one may know something about their language, the space to use while dealing with people, awareness about your culture and how to apply one’s cultural behavior with that of the other culture.

5. The Effect of Cultural Values on Management

Cultural values have a considerable effect on the way managers run an organization. The following figure presents the differences which managers may encounter when managing business at an international level.

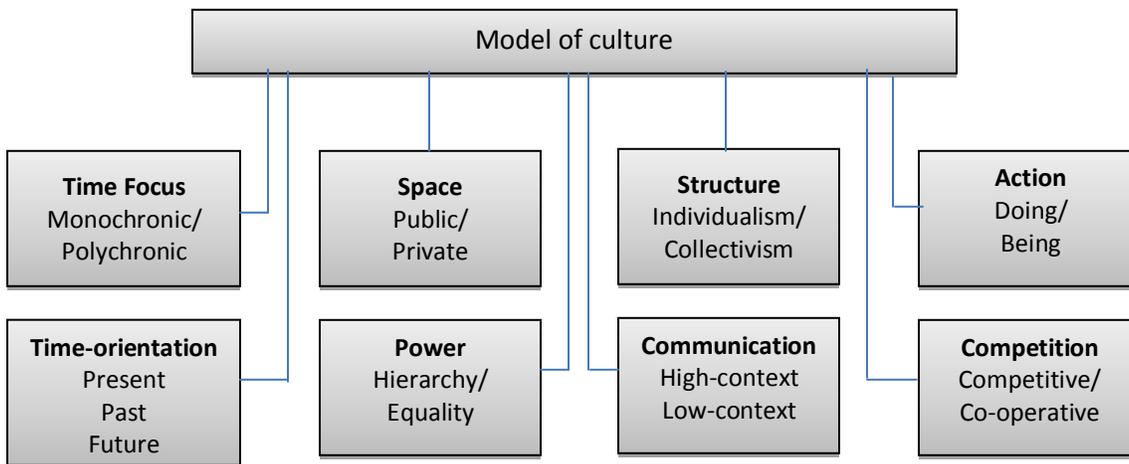


Figure 1 A model of culture

Source: adapted from Doing Business Internationally, Participant Workbook: 2.3.

5.1 Time focus (monochronic/polychronic)

Time is perceived differently in every culture according to its traditions, history etc. According to Hall and Hall (1990), the two authors distinguish two types of time systems: monochronic and polychronic. In cultures where monochronic time system is followed, time is used in a linear way where people perform one activity at a time according to a pre-set schedule. Moreover, their focus is on information rather than people. On the other hand, in cultures where polychronic time system is used people focus on more than one task and depend less on detailed information, and schedules are open to change. Also, people take priority over schedules.

5.2 Time orientation (past, present and future)

Cultures differ concerning their perception of time orientation. For instance, cultures concerned about the past are those that value past traditions in their culture. Their plans are focused on whether they are in concordance with the history and traditions of the company. While cultures concerned about the present are those interested in short-term gain. Future focused companies are those concerned about long-term benefits. An emphasis on cultures oriented towards the past is made by Hall and Hall (1990), whereby countries such as the Far East, India and Iran stick to the past. On the other hand, the urban US culture is oriented towards the present and short-term future and the culture of Latin America is oriented to both the past and present. As a result, past oriented companies emphasize traditions and build on them long-term plans. While future oriented companies emphasize longer-term plans and results.

5.3 Power (hierarchy and equality)

In the workplace, the level of power is emphasized in cultures which are oriented to hierarchy. The employees implement the directions of their manager and the role of the manager is to take decisions and distribute the work for employees. In some cultures, inequality is accepted and there are no attempts taken to change the situation. While in other cultures, inequality is considered as something undesirable and therefore it requires reform. Equality oriented cultures do not emphasize hierarchy although it exists in order to facilitate relations within the organization. As a result, managers are involved in the work itself rather than people whose role is to give directions. Also, managers are not the ones that take the decision on their own; the decision making is done at the level of all employees involved in the issue.

5.4 Competitiveness (Competition)

Management may well encourage competition in an organization, particularly where the environment is that of a “free market” (Browaeyns and Price, 2008). In some organizations, competition among employees is encouraged in order to make the employees more responsible and more creative.

When competition is valued in an organization, then the focus is on wealth, performance and ambitions. While in other cultures, job satisfaction is focused whereby competition is not valued as much as working in a good environment.

5.5 Activity (action: doing or being)

Some companies are considered to have “doing cultures” where the focus is on developing measurable, time-framed actions. In “being cultures,” the emphasis is put on the vision the company strives to achieve.

5.6 Space (private or public)

Cultures differ in their perception of space, what some cultures consider as private, it might be considered as public by another culture. There is also what is called “personal zone”; cultures differ when it comes to proximity during a conversation. In case this personal zone is crossed, this will cause discomfort. In some cultures, some personal or family issues are discussed openly, while in other cultures where privacy is of high importance there has to be high formality in conversations where the focus lies on business rather than on personal issues.

5.7 Communication (high-context or low-context)

According to Hall and Hall (1990), they defined the concept “context” which is the surrounding circumstances in which communication occurs. They also made a distinction between high context and low context as follows:

A high context (HC) communication or message is one in which most of the information is already in the person, while very little is in the coded, explicit, transmitted part of the message. A low context communication (LC) is just the opposite; i.e., the mass of the information is vested in the explicit code.

For example, Japan is considered a high context country because information is implicit in the text while the USA is considered a low context country because the information is given clearly.

5.8 Structure (individualism or collectivism)

The term “structure” refers to organizational structure in business. Individualism refers to the culture that focuses on the individual over the group. In this case the individual is supposed to be more self-reliant and there is less need to resort to the group and there is no difference between in-groups and out-groups. Collectivism refers to the shared values of the group where the interests of the group outweigh the interests of the individual. Individualism and collectivism are two opposite concepts.

Hofstede&Hofstede (2005) studied individualism and collectivism in different countries. The result was that the United States ranked first in individualism where parents bring up their children on self-reliance. American children were raised to express their own opinions and ideas; they are responsible for their choices when it comes to their college study as well as job choices.

In other cultures, such as the Japanese, emphasis is placed on the group approach rather than on the individual approach to all aspects of life. The Chinese and Malaysians also value the group approach and the family (Chaney & Martin, 2011). From a personal point of view, cultures that value individualism will have more independent managers and employees who show responsibility towards any task they have to perform which may lead to creativity. On the other hand, in cultures that value collectivism managers and employees in the top management tend to delegate authority to other employees. This may result in some problems in the organization whereby the task is undertaken by the others.

The following table shows a difference between “individualist culture” and “collective culture”:

Individualist Culture	Collective Culture
1- Transaction oriented (focus on results).	1- Relationship oriented (focus on process)
2- Short-term gains	2- Long-term growth
3- Emphasis on content (facts, numbers, ratios, statistics)	3- Emphasis on context (experience, intuition, the relationship)
4- Independent	4- Interdependent
5- Competitive, decision-driven	5- Collaborative
6- Direct, explicit communication	6- Indirect, circuitous communication
7- Personal accountability	7- Protection of face
8- Private offices	8- Open office plan
9- Linear time, impatient	9- Flexible time, patient

Figure 2: A summary of individualist and collective cultures.

Source: adapted from Guide to Cross-cultural Communication.

6. Conclusion

In conclusion, it has been found that cross-cultural differences do exist among the different cultures. These differences have an impact on communication among people from different cultures. Since there are many companies that have to operate in different parts of the world, people are exposed to different cultures that they have to absorb and get used to. As a result, many barriers may occur; communication barriers are the result of the differences between two cultures. Such barriers will cause lack of effective communication. Sometimes a certain gesture is understood differently between two cultures. For example, nodding in the American culture means understanding what is being said while in Japan it means listening to what is being said. So, if we understand intercultural communication we can overcome barriers.

Although there are differences among cultures, people have the aptitude to adapt with such differences. For example, expatriates whose work requires being exposed to cultures totally different from theirs get adapted to the new culture, they get into the system and they get used to the *status quo*. This requires having what is called cultural intelligence that helps people overcome the obstacles they face because of the diversity in cultures.

In management, it can be seen that there are many companies that are run outside their countries. For example, Orange for communication and Lafarge for cement are two French companies that have branches in many foreign countries whereby the top management is French and the rest of the employees are locals. It goes without saying, that in such a case, managers get adapted to the new culture and can easily deal with their employees although they belong to a different culture.

Figures & tables:

Figure 1 A model of culture

Source: adapted from Doing Business Internationally, Participant Workbook: 2.3.

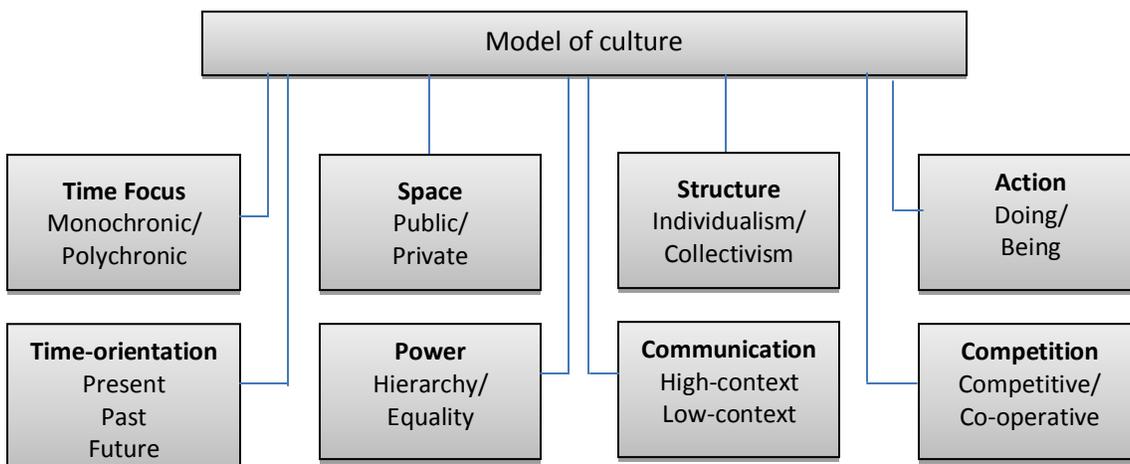


Table 1: A summary of individualist and collective cultures.

Source: adapted from Guide to Cross-cultural Communication.

Individualist Culture	Collective Culture
1- Transaction oriented (focus on results).	1- Relationship oriented (focus on process)
2- Short-term gains	2- Long-term growth
3- Emphasis on content (facts, numbers, ratios, statistics)	3- Emphasis on context (experience, intuition, the relationship)
4- Independent	4- Interdependent
5- Competitive, decision-driven	5- Collaborative
6- Direct, explicit communication	6- Indirect, circuitous communication
7- Personal accountability	7- Protection of face
8- Private offices	8- Open office plan
9- Linear time, impatient	9- Flexible time, patient

References

- Adler, N. (2008). International dimensions of organizational behavior. (5thed.). Cincinnati, Ohio: South-Western.
- Avruch, K. (1998). Culture and conflict resolution. Washington, DC: United States Institute of Peace Press.
- Browaeyns M. & Price R.(2008).Understanding cross-cultural management, Princeton Hall.
- Chaney, L. H. & Martin, J. S.(2011).Intercultural business communication.(5thed).Prentice Hall.
- Doing Business Internationally: The cross-cultural challenges.(1992). Participant Workbook, Princeton, NJ: Princeton Training Press.
- Earley, C. P.(1980). Social loafing and collectivism: A comparison of the United States and the People's Republic of China, Administrative Science Quarterly, 34: 565-581.
- Earley, C. P. (2006).Leading cultural research in the future, a matter of paradigms and taste.Journal of International Business Studies, 37: 922-931.
- Hall, E.T. and Hall, M.R. (1990).Understanding cultural differences, Yarmouth, ME: Intercultural.
- Hofstede, G. (1980). Culture's consequences, (1sted.) Beverly Hills: Sage.
- Hofstede, G. (1991).Cultures and organizations: Software of the mind, London: McGraw-Hill.
- Hofstede, G., & Hofstede, G. J. (2005).Cultures and organizations. London: McGraw-Hill.
- Peterson, B. (2004). Cultural intelligence: A guide to working with people from other cultures. Yarmouth, ME: Intercultural Press.
- Reynolds, S., & Valentine, D. (2011). Guide to Cross-cultural Communication. (2nded). New Jersey: Prentice Hall.