

Intercultural Management



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## Intercultural Management

- ✓ Program:
- Introduction
- Impact of Cultures
- Intercultural Management
- Cultural Conflicts
- Impact of Cultures
- Workshop - Practical Case



## Impact of Cultures

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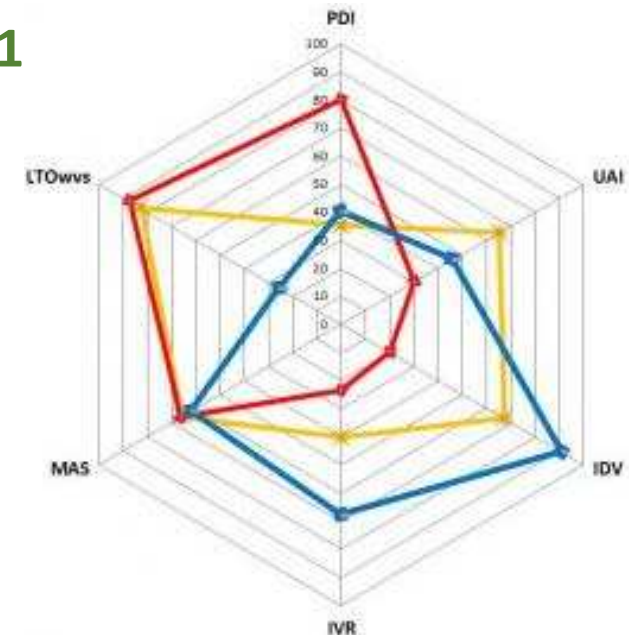
✓ Theories:

- Many authors' **published papers** document and explain the **impact of cultures** on **management**, in particular **Hofstede** (1980), who proposes:
  - The degree of **Power Distance** (PDI)
  - The level of **Individualism** (IDV)
  - The degree of **Masculinity** (MAS)
  - The degree of **Uncertainty Avoidance** (UAI)
  - Long-Term **Orientation** (LTO)
    - + The level of **Indulgence** (IND)



## Impact of Cultures

- ✓ Hofstede: National Cultures
- The **research** conducted by Geert H. Hofstede **began** with the **administration** of more than **100,000 questionnaires** to executives of subsidiaries of the **IBM multinational** in more than **50 countries**
- The **national culture** is thus described according to **5 + 1 bipolar, independent dimensions**, used to describe the **management styles specific** to each national culture



## Impact of Cultures

- ✓ Hofstede: Importance of Hierarchical Distance - PDI
- An **important element** of national cultural **differentiation**: the **hierarchical distance** between a **subordinate** and his **superior**
- It is **measured** by the **perception** that the **subordinate** has of the **power** of its **leader** and its **consequences** in terms of **behavior**
- The **geographical position** is the **first** element

<b>Very Hierarchical</b>	Malaysia, Guatemala, Mexico, Arabic speaking countries
<b>Rather Hierarchized</b>	India, Africa, Brazil, France, Turkey, Belgium
<b>Little Hierarchy</b>	Argentina, United States, Canada, Netherlands
<b>Very Little Hierarchy</b>	United Kingdom, Switzerland, Finland, Norway, Sweden

## Impact of Cultures

- ✓ Hofstede: Individual or Community Orientation - IDV
- **National organizations** can be **distinguished** on the basis of **individual relations**
  - **Community** societies favor **group time** while **individualistic** societies value the **time spent** by individuals for their **personal lives**

<b>Very Individualistic</b>	United States, Australia, United Kingdom, Canada, France
<b>Individualistic</b>	Finland, Austria, Spain, India
<b>Community Oriented</b>	Arabic speaking countries, Turkey, Greece, Mexico, Portugal
<b>Very Community Oriented</b>	Venezuela, Indonesia, South Korea

## Impact of Cultures

- ✓ Hofstede: Individual or Community Orientation - IDV
- Hofstede observes that the **richest countries** adopt the **most individualistic** behavior while the **poorest countries** seem to retain a **community life**
- The **management** of organizations is **greatly influenced**
  - In an **individualistic culture**, employees experience a need for **free time** for their **personal lives**, increase their **freedom** of **action** vis-à-vis the organization
  - Conversely, a **community culture** is manifested through the **search** for a **social role**, assistance through **supervision** and **training**





## Impact of Cultures

- ✓ Hofstede: Masculine or Feminine Values - MAS
- **2 extremes** of a continuum ranging from the **importance** attributed to the **values** of **success** or **possession** (masculine values) to the **social environment** or to mutual aid (feminine values)
  - This variable **always plays** an important **role** in some **fundamental choices** of the organization

<b>Very Masculine</b>	Japan, Austria, Venezuela, Switzerland, Ireland, United Kingdom
<b>Masculine</b>	United States, Australia, Greece, India, Arabic speaking countries
<b>Feminine</b>	South Korea, Africa, Spain, France, Indonesia, Israel
<b>Very Feminine</b>	Sweden, Norway, the Netherlands, Denmark, Costa Rica, Chile

## Impact of Cultures

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- ✓ Hofstede: Masculine or Feminine Values - MAS
  - This cultural element will have **consequences** for the organization of work
  - In **male cultures, high-quality work** enables it to achieve its **objectives** in terms of **contribution** and added value (logic of **achievement**)
    - The **masculinity index** is based on criteria such as the **predominance of professional life**, the role of **ambition**, preference for **individual decisions** or **salary** valuation
    - The **Femininity index: cooperation**, social **climate**, reduction of **anxiety**, **agreement**



## Impact of Cultures

- ✓ Hofstede: Relationship to Uncertainty and Ambiguity - UAI
- This variable concerns the **relationship** between the **company** and its **environment**, its **ability** to **cope** with the **unpredictability** of events
  - It refers to **how members** of an organization **approach risk**, explain **certain behaviors** to better **control uncertainty**

<b>Very Strong Control</b>	Belgium, Japan, Greece, Portugal
<b>Strong Control</b>	France, Spain, Argentina, South Korea, Israel
<b>Low Control</b>	Finland, Switzerland, Africa, Netherlands, Australia, USA
<b>Very Low Control</b>	Singapore, Denmark, Sweden, Ireland, United Kingdom

## Impact of Cultures

- ✓ Hofstede: Relationship to Uncertainty and Ambiguity - UAI
- It is a matter of **measuring** the degree of **tolerance** that a **culture** can **accept** in the face of **concern** about **future events**, including **unpredictable events**
- This **control** of **uncertainty** results in the use of **forecasting plans** and **tools**, the introduction of **standardized procedures**, the search for **stability**, **discipline** and order



## Impact of Cultures

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- ✓ Hofstede: Long-Term Orientation - LTO
- The Long Term Orientation measures the valuation of **virtues** oriented towards **future rewards**, such as **perseverance** or **patience**, in relation to **past** or **present-oriented virtues**, such as **traditions** or the search for **regularity**

<b>Very Strong</b>	China, South Korea, Taiwan, Japan
<b>Strong</b>	Russia, Brazil, Belgium
<b>Low</b>	Germany, Netherlands, Switzerland
<b>Very Low</b>	Egypt, Ghana, Puerto Rico



## Impact of Cultures

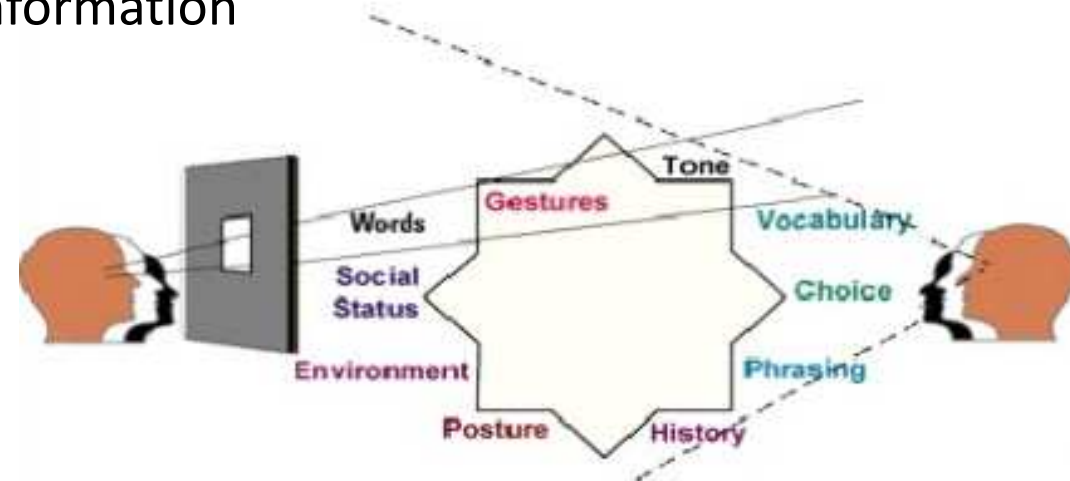
- ✓ Management Styles: the 7 Dimensions of Trompenaars
- Analyzing **work influences** on different **national cultures** on **styles** of management
- Highlights **7 dimensions** on which it is **possible** to establish **cultural differences** between **countries**, which have an **influence** on the **style** of management, the **aspiration** of the employees, as well as the **organization** and **functioning**

1. Individualism or Collectivism
2. Objectivity or Subjectivity
3. Universalism or Particularism
4. Diffuse or Limited Culture
5. Assigned Status or Acquired Status
6. Will or Refusal to control nature
7. Sequential versus Synchronous



## Impact of Cultures

- ✓ Rich and Poor Communication Contexts of Hall:
  - Hall distinguishes between **high-context** and **low-context cultures**
  - "Context" means **all** the **information** that **contributes** to giving **individuals** a **meaning** to a **situation**
    - **High context:** subjective communication, gestures ...
    - **Low context:** objective and formal information

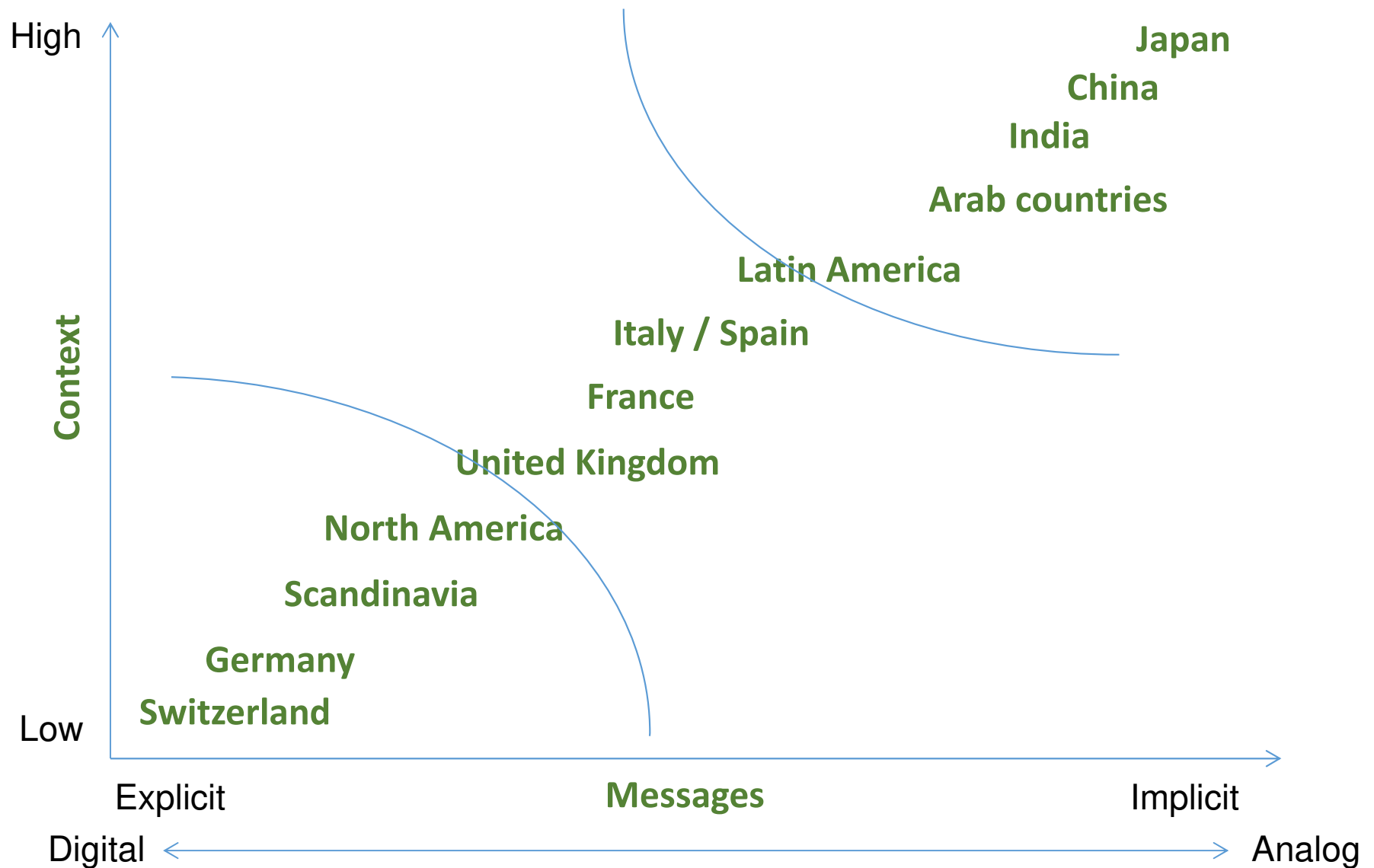






## Impact of Cultures

✓ Rich and Poor Communication Contexts of Hall:



## Impact of Cultures

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- ✓ Hall Mono / Polychronic Time:
  - It is the **ability** of organizations to **process tasks** according to these **2 modes**:
    - **Monochronic**: sequential processing of tasks
    - **Polychronic**: Manage multiple tasks at once
  - One is **linear**, does **not** support **interruptions**
  - The other integrates the **unexpected, adaptation, opening**



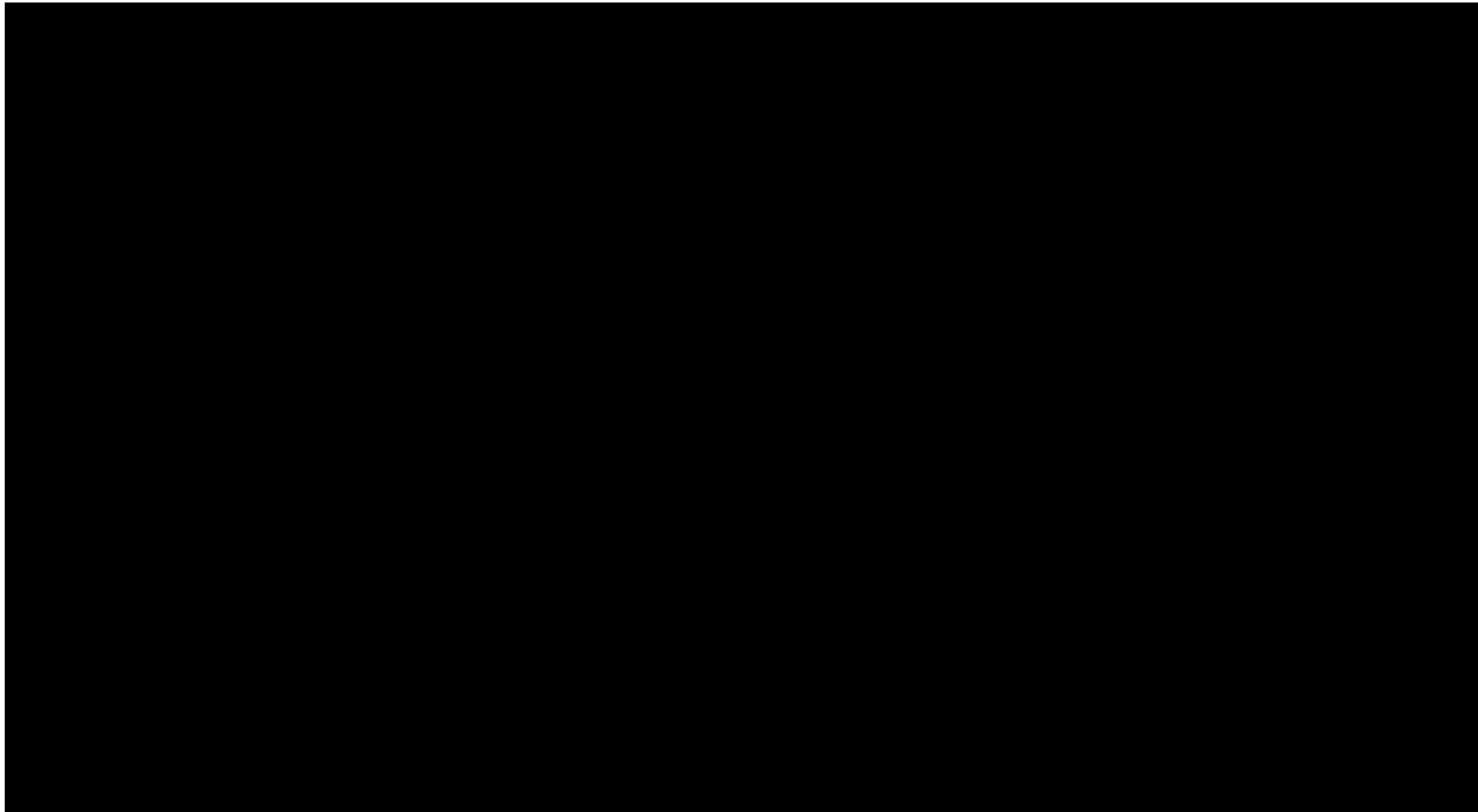


## *Impact of Cultures*

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✓ Geert Hofstede on Culture

<https://www.youtube.com/watch?v=wdh40kgyYOY>





## Impact of Cultures

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- ✓ Are the French rude or is it a big misunderstanding?

<https://www.youtube.com/watch?v=Rv6rG3bwcj8>

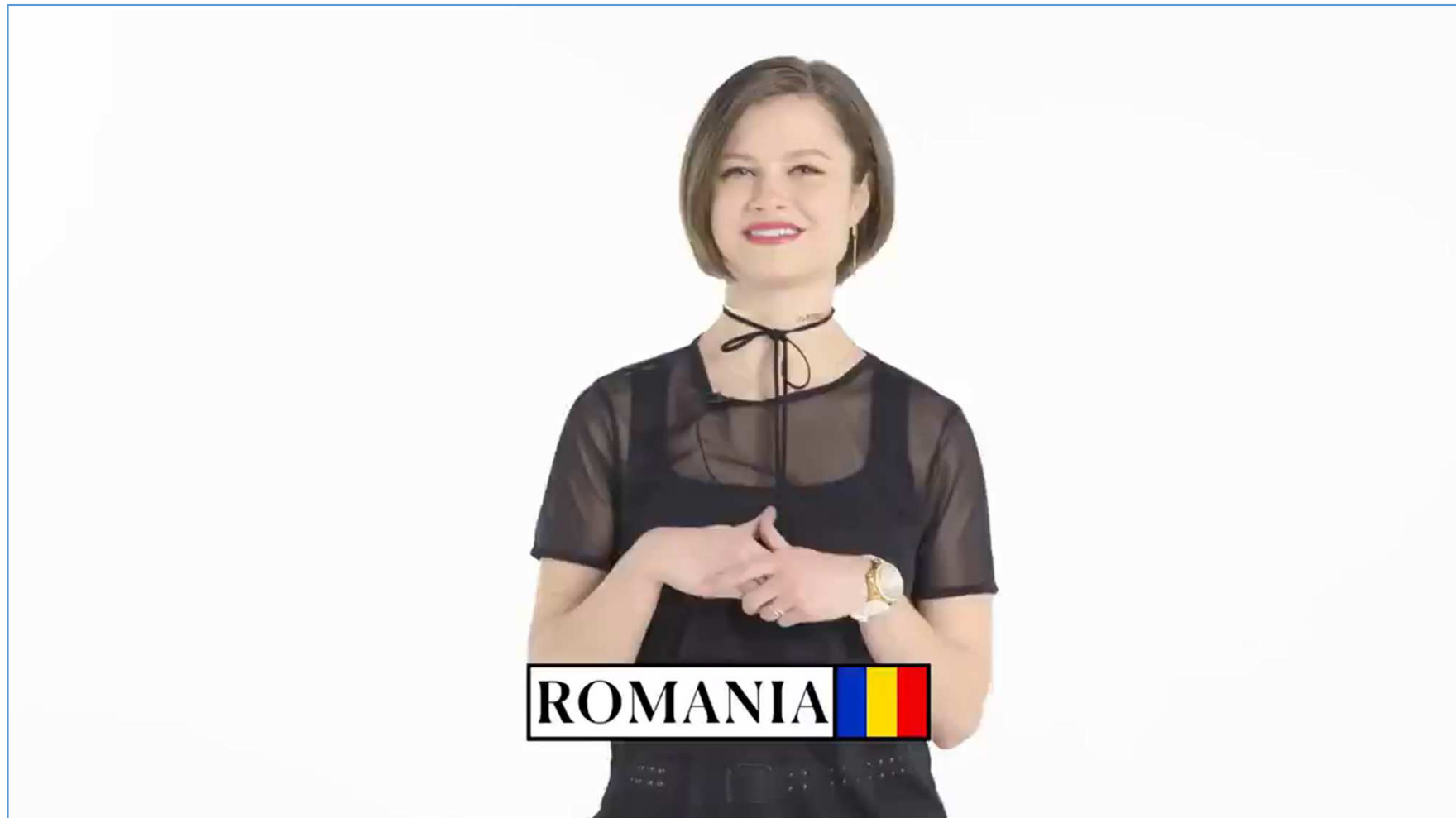


## *Impact of Cultures*

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- ✓ 70 People Reveal Their Country's Most Popular Stereotypes and Clichés

<https://www.youtube.com/watch?v=4MRZbWuUmkk>





- ✓ Introduction:
- **International** is the absolute need to **manage interculturality**, i.e. **knowledge**, understanding and respect of **norms** and **behaviors** that are **varied** and often **contradictory** across borders
  - The **global issue** is the gradual **abolition** of these **differences**, these **boundaries**
- Several **concepts** have allowed this kind of **evolution** towards **less problems** in inter-cultural **relations**:
  - (N) **ITC**
  - Needs for **global performance** and efficiency
  - Accountability and **democracy**
  - **Basic** needs
  - **Evaluation** of the performance...





## Intercultural Management

- ✓ Importance of the concept:
  - How can the **diversity** of **cultures** be **reconciled** with the **universality** of **values**?
  - The **analysis** of the phenomenon of **interculturality** is quite **different** before and during the process of **globalization**:
    - As physical and institutional **boundaries** tend to **disappear**, it is normal for **cultures** to **move closer** together
    - We thus **pass** from the domain of the **international** to that of the **globality** of the world, **without frontiers**



## Intercultural Management

- ✓ Influence of the modernization of organizations:
  - All the **concepts** to be visited and revisited take into account the reality of **modernization** efforts of **public administrations**
    - It is done by **adopting** the **management methods** of private companies
  - Creation of **major intercultural groups** in the public sector (EU, NAFTA, ASEAN, UN, World Bank, IMF ...)
    - This has **not failed** to **influence** private **companies** in the same **direction**



- ✓ Concepts:
  - Immense **markets** are **opening up** to **global competition** and there is still a **need** to take account of **specific cultural codes**
    - This is the case of **Asia** (China, Vietnam, Burma) and (was) for the **Arab world**
    - This is also the case for the **multiplication** of **cultures within** all **integrated groups**
  - On the **other hand**, it is sometimes believed that "**US culture**" **fits everywhere**, fosters **uniformity**, gradually **eliminates differences**, including beliefs and values
    - A **contradiction** that organizations must **take into account** if one is to **navigate successfully** in the rapidly **globalizing world**



## Intercultural Management

- ✓ Implications:
  - In this perspective, **3 levels** should be taken into **consideration**:
    1. That of the **organizational leader**
    2. Of the **organization itself** and
    3. Of the **commercial** and **industrial development**



## Intercultural Management

- ✓ Implications for the Organizational Leader:
  - The **challenge** lies mainly in the **development** and **implementation** of **strategy**, organizational **culture** and **governance** that empowers the market
    - "**Going global**" must be managed on **all fronts**



## Intercultural Management

- ✓ Implications for the organization:
  - The question concerns the nature of the **relations** between the **decision center** and the various **peripheral units**
  - It also **focuses** on how **culture** and **management style** guide the **processes** of **decision-making** and **intra-group cooperation**



## Intercultural Management

- ✓ Implications for business development:
  - The **challenge** is to **succeed** in the policies of **rapprochement** and **alliance**, or international **joint ventures**, making sure to **valorize** the **specificities** of **each**, for the sake of **efficiency** and not politically!
  - In this perspective, **brand management** (global, regional, local) and **skills** become **decisive**



## Intercultural Management

- ✓ Concept of culture applied to organizations:
  - It is **necessary** to define the **concept** of **culture** applied to the **organization** and then try to **analyze** how a **particular culture** is **born** and **develops** within the organizations, based on objective data
    - It is the **organizational capacity** to voluntarily **give meaning** to **collective action**
    - Particularly in any **programmes** of **change management**





## Intercultural Management

### ✓ Organizational culture:

- This notion **appears** in the **1980s**

### ■ Definitions:

« *all the ways of **thinking, feeling** and **acting** that are **common** to all **members** of the same **organization** AND its **management!** » (Schein, 1985)*

« **Framework** of **thought, norms**, system of organized **rules shared** by all the actors of *the organization* » (Bournois, 1996)



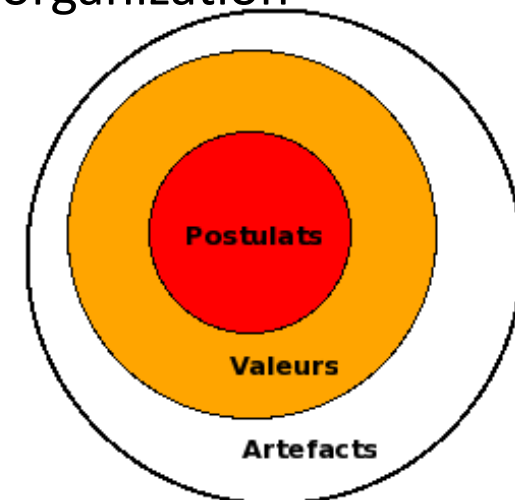
## Intercultural Management

✓ Organizational culture: field

■ It **encompasses**:

- Values
- Beliefs
- Postulates
- Attitudes

✓ **Common** to all those who **work** and/or **command** in an organization

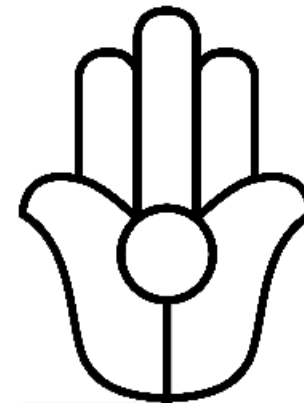


- ✓ Organizational Culture: Characteristics
  - It is a **collective phenomenon** that **binds** people within a constructed social group (**construct**)
  - They can **communicate** and **operate** according to a **code** that **differentiates them** from all **other groups** of actors
    - This culture also proceeds from an **omnipresent symbolic activity**



## Intercultural Management

- ✓ Organizational Culture: Symbols
- The production of **symbols** takes the **form** of:
  - **Names**
  - A **logo**
  - Emblems of **specific colors**
  - Sometimes even "**hymns**"
- The whole allowing to **create** an **easy identification** system for the group



La main Hamsa ou  
(Protection, bonne fortune)



La main de Fatma  
(Protection)



La main Ahimsa  
(Respect de la vie)

## Intercultural Management

- ✓ Organizational Culture: Learning
- Organizational Culture is also **associated** with the notions of **learning** and **transmission** through repetition of interaction, training
  - This is what **makes** it **possible** to organize the **continuity** of the **group** which will **transmit** the same postulates of **organizational functioning** and **behavior**



## Intercultural Management

- ✓ Organizational Culture: Integration
- Organizational **rites** are an interesting **manifestation** of the **transmission** and **permanence** of an organizational culture
  - Rites: e.g. Integration **seminars**, work **meetings**, **receptions**
  - Rites are **legends** associated with the **past** of the organization



## Intercultural Management

- ✓ Organizational Culture: Internal Coherence
- Organizational Culture is also characterized by its **internal coherence** as a relatively **structured system** of **values** and **rules**
- Organizational culture, however, should **not** be **seen** as a **closed** and **unchanging** system, rather as a **dynamic**



## Intercultural Management

- ✓ Organizational culture: evolution
- Organizational Culture is above all a **social construction** that **evolves** over time
- The result of a **decision-making process** and **responses** to **events** and **activities** carried out by the organization during its **history**
  - Evolves therefore **according** to the **situations encountered** during its cycle of **growth**





## Intercultural Management

- ✓ Organizational Culture: Borders
- Organizational Culture is an "**inside**" and an "**outside**" by creating a **universe** that allows to **unite actors** around the **same structure** and to **distinguish** them from other structures
- The **dialectical relationship** with the outside is **not fixed** and the **boundaries** of the organization are **always permeable** but with the sense of **social belonging** that will **condition** the attitudes of the **actors** facing the **outside world**



- ✓ Organizational culture: decrypting
- Olivier Meier (2004) uses a grid of **11 elements** of analysis:
  1. The **story**
  2. The **job**
  3. The dominant **values**
  4. The benchmark in terms of **development**
  5. The **positioning** facing the environment
  6. **Identification** and membership
  7. The type of **structure**
  8. The decision-making **process**
  9. The **style** of management and source of power
  10. **Human** resources policy
  11. **Behavior** and attitudes



- ✓ Tangling cultures in the organization:
- An organization is usually made up of different "**cultural layers**":
  - **Rules, Practice** and Common **Behavior**
  - **Beliefs, Values** and **Standards**
  - Implicit **assumptions** of the organization
- These "layers" reflect the **process** of **constructing** a culture by **distinguishing** what is **identifiable** from what can be **identified** only **after investigation** with the actors involved and, even more **difficult** to **determine**, implicit **postulates**, the true heart of the organization namely its **fundamentals**



- ✓ Origin and influence of Corporate Culture:
  - Any organization includes **individuals** with **multiple cultures**:
    - **National**
    - **Regional**
    - Professional **belonging** (linked to the status and experience of its members)
    - Personal **culture**
  - These **4 levels** are at the **origin** of the **formation** and **evolution** of the culture of an organization that will **influence** the **behavior** of its **members**
  - **Each** Corporate Culture therefore brings **specific influences** that evolve according to the **context** and **situations** created





## Cultural Conflicts

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- ✓ Bases:
  - Beyond differences, **intercultural relations** within and outside organizations are **not easy** to manage because of **cognitive, emotional** and **behavioral processes** that create **tensions** and **conflicts** between groups
    - **Selective** perceptions
    - The **fear** of difference
    - **Prejudices**
    - The trend towards **schematization**
  - These are **filters** and **screens, barriers** to openness and recognition of **diversity**



## Cultural Conflicts

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- ✓ Mechanisms:
  - Intercultural **friction**/conflict **situations** are (almost) as **numerous** in **multi-national groups** as in groups or organizations with **homogeneous nationalities**
    - The **same** applies to **relations** between **organizations**
  - The **reason: each individual**, in whatever group, tends to **apprehend** the other in relation to his **own culture**, sometimes establishing a kind of **hierarchy between cultures**
    - **Danger** therefore of **stereotyping** and other **negative generalizations** against other cultures



## Cultural Conflicts

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- ✓ Common Errors Origin:
  - It is always a matter of **simplifying reality** through **stereotypes, prejudices** or value **judgments**
    - This creates **preconceived ideas** that **help** the individual **reduce complexity** (cognitive simplification), **increase** the sense of **security**, and **strengthen self-esteem** by devaluing the other





## Cultural Conflicts

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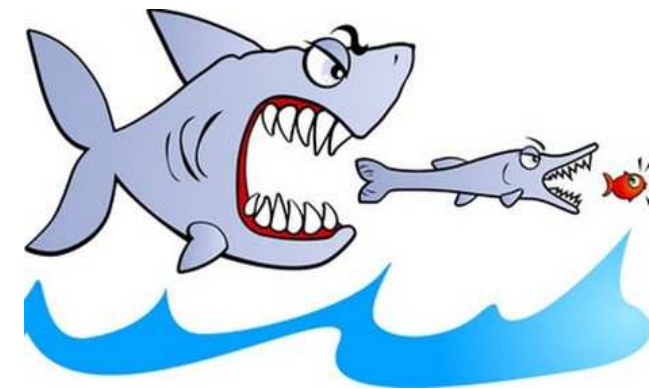
- ✓ Types of bias:
  - We can **distinguish 3** in intergroup **relations**:
    1. **Cognitive bias**: centered on a system of **values** (logic of conformity), **incomprehension**
    2. **Affective bias**: **fear** of the other, **reluctance**
    3. **Conative Bias**: logic of **rivalry/competition**, **rejection** of members of other cultures



## Cultural Conflicts

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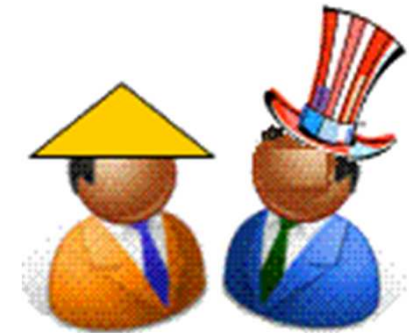
- ✓ Consequences:
  - Power relations can **degenerate** into **abuse** of **dominant position**
    - The **dominant** group then **imposes** its **own standards**
    - The **dominated** group enters into a **process** of **conformation renouncing** to defend its **own values**, its **own style**
      - **Compliance** with the **dominant culture** (e.g. international acquisitions)
      - **Consensus** or **compromise** (normalization avoidance conflict, as in international meetings)
      - **Minority Innovation**: the **majority** group is said to be **anomic** because it is **not convincing**



## Cultural Conflicts

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- ✓ Consequences:
  - The **change** of **polarization** taking as **new system** of **values**, those that 2 groups have in common
  - **Fracture: insoluble** cleavages or when it is **not possible** to **agree** on a set of values acceptable to the parties
    - Domination is **never total** but usually leads to **conflicts**
    - The **search** for solutions can **encourage innovation logics**







- ✓ Pick a Country and Assess it with the Hofstede's 6D of Cultural Dimensions



# Hofstede Insights

<https://www.hofstede-insights.com/product/compare-countries/>

- Work 2 **by 2**, preparation then **short** presentation



**KEEP  
CALM  
AND  
CULTURAL  
DIFFERENCES**

*The end*