

Marie-Joëlle Browaeys & Roger Price

Understanding Cross-Cultural Management

Fourth Edition



Pearson

UNDERSTANDING CROSS-CULTURAL MANAGEMENT

'I realised that the Chinese did business differently to the Swiss,' he says. 'For Europeans the efficiency comes from the process, but for Chinese executives it is the other way round. They decide what the result should be then find what process is needed to achieve this.' He says it was his fascination for all things Chinese that prompted him to enrol on the MBA programme at Shanghai-based Ceibs.¹ Sahil Chugani was also less focused on the end result of the qualification. [. . .]

Mr Chugani's strategy for mastering Chinese was immersion, using taxi booking and food ordering smartphone apps that require users to confirm their requests verbally. 'I went all out,' he says. 'I told myself that if I could not speak to a taxi driver, I did not deserve to go out.' It

seems to have done the trick. He now uses the Chinese messaging service WeChat to send orders, in Chinese, to his local supermarket manager, who delivers the groceries to his apartment door. For Mr Chugani, the MBA at CKGSB² was the means to the ultimate end of getting a taste of the world's second-largest economy. He also wanted to be in Beijing because, he believes, it is the most entrepreneurial city in China. Having co-founded online music platform Giglist in between stints as an investment banker at Goldman Sachs in London, Mr Chugani is now looking to invest in Chinese start-ups. 'I never wanted to do the MBA,' he says. 'I wanted to do China.'

¹China Europe International Business School.

²Cheung Kong Graduate School of Business (Beijing).



Source: extract from 'Lower cost courses attract foreigners from Brics and Africa', *FT.com*, 28/9/2017 (Moules, J.).
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B. China's business schools face new challenges as they mature

Institutions are more global in their outlook, but there is more government intervention

By Della Bradshaw

Chinese business schools have been rapidly catching up with their American and European counterparts. Now, as they expand domestically and overseas, these business schools are facing new challenges. Many schools still focus on teaching local managers – who mostly study part-time – in their native Chinese. But those in major cities are attracting new types of students, with a more international outlook, says Katherine Xin, professor of management at Ceibs in Shanghai. 'Many of the next generation of Chinese business leaders were sent overseas to study in their high school years. It's a plus and a minus,' she says. 'They speak English, are open-minded and multicultural but, on the other hand, many of them have problems fitting in with existing organisations.' [. . .] If today's

students are more global in their outlook, so are the business schools themselves. Following two decades in which a plethora of western universities launched campuses in China, the country's own business schools are growing their global footprint. Ceibs has facilities in Ghana and Switzerland; in March, Peking University HSBC Business School announced plans to open a campus in Oxford, UK.

China is also professionalising the sector, developing a business school accreditation system, called Camea (Chinese advanced management education accreditation). [. . .] Educational content is focusing more on innovation and entrepreneurship, themes more aligned with western business schools [. . .]



However, while China's business schools are globalising, they have characteristics which reflect their national context. While US and European schools largely rely on market forces to determine programme structure and content, in China the government is increasingly intervening in both. [. . .]

The ruling includes Chinese nationals who wish to do a joint EMBA programme in which a Chinese university gives degrees with an overseas partner, such as the Insead/Tsinghua EMBA. [. . .] 'The government is a bit suspicious about foreign influences,' says Xiaowei Rose Luo, professor of entrepreneurship at Insead, whose main campuses are in France and Singapore. 'It is concerned that some scholars present a one-sided view of China, emphasising the negative side.' Such intervention is not new, points out Alan White, senior associate dean at MIT Sloan, who has been working with Chinese business schools for more than 30

years. Although aspects of Sloan's curriculum were adopted by the Chinese government as part of its MBA syllabus — IT and communications, for example — other subjects, such as negotiations, were off limits. Many professors in China tolerate, or even support, such interventions. 'It's not the case that you can take a western model of education and teach that wholesale in China,' says Prof Boulding. 'The reality is that there is a global interdependence, so it's important to know how to align your interests with the government. Those are the real opportunities.' [. . .]

At the end of day, more unites China's future business leaders with their peers in the west than divides them. They are rarely interested in working for state-owned enterprises, says Prof White. Like their US and European counterparts, they want to work in entrepreneurship or in financial services and consulting — where the money is.



Source: extract from 'China's business schools face new challenges as they mature', *FT.com*, 28/9/2017 (Bradshaw, D.). © The Financial Times Limited 2018. All Rights Reserved.

Questions

Article A

- A1 What are the reasons for citizens from BRICS and other countries to follow a study programme in China?
- A2 What are their work ambitions after getting an MBA degree from a business school in China?
- A3 How do they experience the cultural differences with China?

Article B

- B4 What are the characteristics (new outlook and national context) of the Chinese business schools?

Discussion

Discuss the following statement from the last paragraph of article B:

'More unites China's future business leaders with their peers in the west than divides them.'

Do you agree/disagree? What arguments do you have to support your opinion?

Essay

Write a short essay based on article A, in which you

1. Compare the ways in which Ms Nkatha, Jerome Wyss and Sahil Chugani managed/experienced their stays in China.
2. Give your thoughts as to what the best way is to learn to live in a new country, including the best attitude to adopt when doing so.

Chapter 5

Cultural dimensions and dilemmas

Figure 1.2 in the introduction to Part One mentioned the names of two social scientists, Kluckhohn and Strodtbeck. Their book, *Variations in Value Orientations* (1961), has served as a primary source of reference for many researchers into culture and management, including Schein, Adler, Hall, Hofstede and Trompenaars. These researchers developed cultural value orientations when investigating the phenomenon of culture and developed cross-cultural management models for a business context.

Some insight was given in Chapter 2 into the relationship between national cultural values and management. Trompenaars also developed dimensions to measure cultural differences and to gain further understanding about cultural diversity in business. What is particularly original about his work is that he presents opposing cultural values in the form of dilemmas.

Concept 5.1 goes further by developing the value orientation model addressed in Chapter 2. It then gives an overview of Trompenaars' dimensions and the ensuing dilemmas which a manager may encounter in an intercultural environment. It also highlights some of the differences between Trompenaars' and Hofstede's dimensions. In addition, it deals with the culture of innovation in organisations.

Concept 5.2 explains the method and the process for reconciling the dilemmas outlined in Concept 5.1. The dilemma of motivation is addressed in the Preface.

Learning outcomes

After reading the chapter you should:

- Understand the concept of value orientations.
- Have gained insight into Trompenaars' seven dimensions.
- Have explored some cultural dilemmas in business.
- Have learned how cultural differences can be reconciled.
- Have acquired an initial insight into the theories of motivation.

One experiences a dilemma (the notion of two opposing values) when answering the question 'What should I do?' by saying 'I don't know, but I can't ignore the problem' (Tahssain-Gay & Cherre, 2012: 18).

Preface: motivation and dilemmas

When considering the problem just raised, Gullestrup (2006) sees it as a possible dilemma in ethical terms for what he calls a ‘cultural actor’, i.e. the person seeking intercultural understanding when interacting with people from other cultures. He considers such dilemmas as occurring at two levels. At an *abstract* level, a dilemma is related to the question whether something like an ideal, universally valid culture actually exists, one which can be applied to any local culture. At an *emotional* and *personal* level, a dilemma may occur when the cultural actor is trying to modify certain behaviour or values in a given culture. Gullestrup illustrates the latter by referring to an exporter who is attempting to change the habits of people in a particular culture to enable him to sell them more products.

Dilemma of motivation

This type of second-level dilemma is one experienced by many managers working in an international context experience who are dealing with people from different cultural backgrounds. One of the most important dilemmas such managers have to face is what it is called, the dilemma of motivation. Acknowledging that people work in different ways is not enough; what needs to be recognised is that they may have different motivational systems. Finding out what systems are at play is not an easy matter since there are various systems which may improve the quality of individual working life as well as group behaviour.

The dilemma of motivation may arise when a manager is searching for an appropriate strategy for motivating people with different needs and values. As Todes *et al.* (1977: 165) emphasise: ‘The success or failure of motivation rests not on the technique itself but on management’s ability to match the needs of people with appropriate incentives.’ This implies that a manager should possess an interdisciplinary knowledge of several disciplines comprising psychology (personality of the individual) and motivational theories.

Motivation theories: human versus cultural perspectives

There are many theories of motivation, most of which come from the Western world. Having said that, however, there are an increasing number of publications on motivation studies in which researchers criticise the use of these Western models in a Chinese context. For example, according to Geren (2011), Maslow’s well-known theory on motivation (hierarchy of needs) is conceived for a Western system which emphasises individual aims, and therefore does not fit with Eastern cultures. In China, individual needs are in general not as important as social needs; group harmony prevails over self-goals.

Keeping in mind what has been said above, here is a brief overview of some theories in terms of two approaches to motivation: human needs and cultural values.

Human needs

Todes *et al.* (1977: 166) classify the needs of people according to four motivational perspectives:

1. The sociological view: people’s actions are governed by the customs and values of society.
2. The biological view: human actions are determined by their physical needs.

3. The psychoanalytic view: human actions are driven by mostly unconscious processes.
4. The behaviourist view: human behaviour is the response to various motivating stimuli.

At the organisational level, other scholars add psychological and spiritual needs, needs which are not only more complex to understand because these are not just to do with human needs, but are also related to the cultural background of the organisation in question.

Cultural values

Adler with Gundersen (2008) argue that the motivation theories which emanate from the US are more a reflection of American values than a universal description of motivation. She is referring in particular to Maslow's hierarchy of five basic needs, and to Herzberg's two-factor motivation theory. The latter can be briefly described as one involving (1) intrinsic factors or motivators that influence the employee's job satisfaction (the need for personal growth) and (2) extrinsic factors that influence the employee's job dissatisfaction (the need to avoid disagreement).

However, Adler with Gundersen (2008: 189) note the 'universal' character of Vroom's expectancy theory of motivation, in which motivation depends 'on the extent to which people believe they have control over the outcomes of their efforts as well as on manager's abilities to identify desired rewards'. This is because the theory does not stipulate the nature of the rewards that motivate a specific culture. This suggests that the managers themselves have to discover which type of reward is the most adequate for a specific group. Nevertheless, this theory, like the ones mentioned earlier, still reflects the values related to the culture where the theory has been developed.

Finally, as Adler with Gundersen (2008: 192) point out, more recent motivation theories take into account the cultural component. This goes particularly for the cultural intelligence theory, developed originally by Earley and Ang (2003). This theory, which is also mentioned in Chapter 6, refers to a person's capability to adapt when interacting with people from different cultural contexts. One of the three constituents or 'motivational aspects' of cultural intelligence comprises values such as confidence, persistence and, not least, the level of affinity with a new culture. Having confidence, persistence and the required affinity may improve a manager's performance effectiveness in an international context, even though the manager maintains an unconscious ethnocentrism.

Concept 5.1 Value orientations and dimensions

The concepts of cultural theory, particularly those relating culture to management, have inspired researchers to examine the effect of the norms and values of a society on the individual.

Parsons, an American sociologist who attempted to integrate all the social sciences into a science of human action, argued in his ground-breaking work, *The Structure of Social Action* (1937), that the action of the individual is totally integrated into a social