Chapter 5
Culture, Management Style, and Business Systems

Chapter Learning Objectives
- The necessity for adapting to cultural differences
- How and why management styles vary around the world
- The extent and implications of gender bias in other countries
- The importance of cultural differences in business ethics
- The differences between relationship-oriented and information-oriented cultures

Global Perspective
- Knowledge of the management style existing in a country and a willingness to accommodate the differences are important to success in an international market.

Required Adaptation
- Adaptation is a key concept in international marketing.
- As a guide to adaptation, all who wish to deal with individuals, firms, or authorities in foreign countries should be able to meet 10 basic criteria:
  - 1) open tolerance
  - 2) flexibility
  - 3) humility/mildness
  - 4) justice/fairness
  - 5) ability to adjust to varying tempos/speed
  - 6) curiosity/interest
  - 7) knowledge of the country
  - 8) liking for others
  - 9) ability to command respect
  - 10) ability to integrate oneself into the environment

Cultural Imperatives/necessary
- Friendship motivates local agents to make more sales.
- The significance of establishing friendship cannot be overemphasized, especially in those countries where family relationships are close.
- In some cultures a person’s demeanor/manner is more critical than in other cultures
- What may be an imperative/necessary to avoid in one culture is an imperative to do in another.

Authority and Decision Making
- Three typical authority patterns:
  - Top-level management decisions
  - Decentralized decisions
  - Committee or group decisions
Communication Styles

- Face-to-face communication:
  - Managers often fail to develop even a basic understanding of just one other language.
  - Much business communication depends on implicit messages that are not verbalized.

- Internet communications:
  - Nothing about the Web will change the extent to which people identify with their own language and cultures.
  - Estimates are that 78% of today’s Web site content is written in English, but an English e-mail message cannot be understood by 35% of all Internet users.
  - Country-specific Web sites
  - Web site should be examined for any symbols, icons, and other nonverbal impressions that could convey an unwanted message.
  - Formality and tempo/speed

P-Time versus M-Time

- Monochronic time:
  - Tend to concentrate on one thing at a time
  - Divide time into small units and are concerned with promptness
  - Most low-context cultures operate on M-Time

- Polychronic time:
  - Dominant in high-context cultures
  - Characterized by the simultaneous occurrence of many things
  - Allows for relationships to build and context to be absorbed as parts of high-context cultures.

- Most cultures offer a mix of P-time and M-time behavior, but have a tendency to be either more P-time or M-time in regard to the role time plays.
- As global markets expand more businesspeople from P-time cultures are adapting to M-time.

Negotiations Emphasis

- Business negotiations are perhaps the most fundamental business rituals.
- The basic elements of business negotiations are the same in any country.
  - They relate to the product, its price and terms, services associated with the product, and finally, friendship between vendors and customers.
  - One standard rule in negotiating is “know thyself” first, and second, “know your counterpart.”

Gender Bias in International Business

- Women represent only 18% of the employees who are chosen for international assignments.
- In many cultures women are not typically found in upper levels of management, and men and women are treated very differently.
  - Asia, Middle East, Latin America
- Prejudices toward women in foreign countries
- Executives who have had international experience are more likely to get promoted, have higher rewards, and have greater occupational tenure.

Culture’s Influence on Strategic Thinking

- British-American
  - Individualistic
- Japan & Germany
  - Communitarian

Summary

- Some cultures appear to emphasize the importance of information and competition while others focus more on relationships and transaction cost reductions.
- Businesspersons working in another country must be sensitive to the business environment and must be willing to adapt when necessary.
- Business behavior is derived in large part from the basic cultural environment in which the business operates and, as such, is subject to the extreme diversity encountered among various cultures and subcultures.
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<td>• Environmental considerations significantly affect the attitudes, behavior, and outlook of foreign businesspeople.</td>
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<td>• The international trader must be constantly alert and prepared to adapt when necessary.</td>
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<td>• No matter how long in a country, the outsider is not a local; in many countries that person may always be treated as an outsider.</td>
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<td>• One must avoid the critical mistake of assuming that knowledge of one culture will provide acceptability in another.</td>
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