

International business between japan and germany management essay



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Our firm is globalizing to create more unified production and marketing organizations which more effectively utilizes the comparative advantages and taking over of our competitor in the German market. However, to capitalize on the rapid expanding markets that the company has just possessed in the German market, there is the need for us to manage the cultural diversity between our Japanese managers and the German workforce environment.

There is the need for the company to give a keen concern to this issue as in many cases, the inability to manage cultural differences often result to a serious impediment to business success.

Managing a company of different cultural diversity is, in fact, a prerequisite to taking full advantage of firm and its host country strength. I am to use two general approaches which are the communication mode (cultural distance) and Blau's theory of social integration (social contact in the three core departments). This is to assess how staffing practices would improve the firm's performance by increasing their interpersonal contact nationalities at various department levels.

Culture is the " totality of socially transmitted behavior patterns, arts, beliefs, institutions and all other products of human work and thought," (the free Dictionary, 2010). Culture is what helps us to organize our world and to know how to respond to it in return both in our lives, social groups and work place. This can be done by learning from friends and relatives, teachers, and by ourselves (observation).

People who are from different cultures have lived in a different part of the world and have experienced different societies or participated in different institutions (corporations, schools and others), this is applicable to the Japanese managers who will be managing the German company, they have learnt from different values, beliefs, behaviors, expectations and norms compared to the German workforce.

Cultural Differences between Japan and Germany in Their Workforce

The forms of leadership and personality are many and are different, but the core values and directions to be used are:

Power Distance: This is the “ extent to which less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally” (Hofstede, 1998). The inequality distribution of power is manifested in certain administrative policies and procedures engaged in different organizations and working environments and in the assessment of the accuracy or aptness of such decisions in terms of their organizational goals.

This is the degree of inequality that the population of a country considers as normal.

The Japanese are known to have a medium (54%) power distance, they are deeply entrenched into culture and tradition and they also adopt a passive work culture. Their workers are expected to respect and obey their boss. These leaders tend to respond to their subordinates with highly paternalistic

attitudes that lead to an extremely hierarchical and rigid organizational environment.

The superlative model is traced to come from their early village leaders who were skillfully unassertive, led by implicit compromise, nonverbal communication and indirect discussions.

This is the same with their organizational leaders today, where the subordinates are meant to be at work before their boss and leave after their boss; they are even apologetic when they leave the work place before their co-workers (Buzzle. com, 2010).

The Germans are known to have the lowest power distance of 36%. This measures the extent to which the less powerful members accept that power is distributed unequally in the German institutions and organizations. This implies that Germany is a decentralized society, relatively flatter organizational structures and a comparatively smaller proportion of superiors.

Their workers are remarkably loyal to their companies in the sense of organizational confidentiality.

The Individualism Collectivism: This is the measurement of the ability to live in groups or to choose an individual path, not minding what the group or the community would be thinking or doing. In this value, the individual achievement is highly esteemed.

The Japanese's Individualism is rated to be at a medium range of (46%) due to the sempai-kohai mentor relationship between the managers and their
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subordinates. The managers are expected to be part of and involved in the personal life of their subordinates, this will be as a result of their close personal bond relationship. Importance on equality of all group members also supports group harmony. This is usually considered more important than overall productivity. Individuals are not singled out for appraisal or criticism, but it is usually directed at the groups.

The German individualism is measured to be 67% which is higher than that of Japan. It is all about the tendency of people looking after themselves and their immediate families only and not allowing other people's faring to be their priority. They prefer to shoulder their personal responsibility by themselves (independent). At work place, the Germans prefer to achieve their job goals with a joint effort and negotiation decisions are often referred to committees.

In business situations, shaking hands at the beginning of the meeting and at the end is seen to be necessary. The handshake is to be accompanied with a slight bow with eye contact reciprocal nodding to make a good impression especially with a superior, as failure to do that would result to a bad start.

Masculinity: This is seen as the degree to which tough values like boldness performance, success and competition prevails over quality of life while maintaining a warm personal relationship, service and caring for the weak and solidarity.

The Japanese are known to be the most masculine society in the world; they are rated to be 95%. They believe in achievement, expansion, wealth and survival of the fittest. They see manufacturing and business to be more
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important than arts and healing. They give priority to successive entrepreneur, and longer working hours than holidays. Their business culture is known to be men oriented and workplaces are often autocratic.

The Germans are known to rate 66% on masculinity, the characteristics of their cultural success are known to be money and material possession from the dominant values in the society. From the Hofstede's model, the Germans place a greater value on their earnings, recognition, advancement and challenges.

Uncertainty Avoidance: This is the degree to which the people in a country prefer structure over unstructured situations.

Long-term against short-term orientation: the long-term values are oriented towards the future, like prudence and diligence. The short-term values oriented towards the past and present, like respect for institution and social obligations.

Issues that are Bound to Arise for the Japanese Managers in the Acquired in Germany

As foreign managers that would be responsible for the coordinating of the human resources, finance and marketing departments, there are bound to be some issues that would arise in the managing process. Amongst these issues are:

Managing Cultural Differences in the Human Resources Department

The Role and Status of the HR Managers: there will be the possibilities of experiencing a social hierarchy which can cause communication bumps in the department. For example, the Japanese managers would think it is alright to place the women as subordinate to men by giving the men a superior role. This would be seen as a bias treatment by the women as it is not done that way in the German workforce.

However, the German subordinate staff might be expecting the Japanese managers to maintain eye contacts while addressing or communicating with them as it is their way of life to communicate while looking at each other's eyes and nodding their heads to indicate an agreement to the discussion. " This is as in the case of Individualism versus collectivism theory which centers on individual rights and values being dominant or subordinate to those of the collective society" (international Business assignment slide, 2010).

Another example is the manager cracking jokes during interviews, inductions, and meetings as they may feel it is an eye breaker to ease tension and to keep their subordinates relaxed, but the Germans take their meetings very serious and would take the Japanese managers to be unserious and insulting for a mere joke during periods.

Emotional Culture versus Neutral Culture: which is a culture where emotions are expressed openly and naturally. An instance is when the men innocently try to interact with the women in the workplace, such women can feel

uncomfortable or violated in some way. In contrast, the German men whose emotions are being held in-check may not adapt well to working equally with the Japanese female staff or having female as their manager due to their (Japanese) openly emotional expression. Understanding the interaction between sexes and the roles assigned in various cultures is important.

Personal Space during Interviews and Meetings: Germans typically prefer to stand about six inch apart when conversing, though this might not be a very big issue for the foreign managers, but there is the need for the nuances in personal space to be emphasized as it can help communication tremendously.

Remuneration differences: the Germans get better pay package than the Japanese, this could be a big bonus for the Japanese managers as their wages would be better than their initial take home packages and they would be treated as expatriates which would make them feel encouraged due to the benefits that would be attached to their position.

Managing Cultural Differences in the Marketing Department

The Role and Status of the Marketing Managers: it is the duty of the marketing manager to sort for different strategies on how to attract more customers through advertising, pricing and branding as can be seen in the appendix A. However, the choices that would be offered to the customers would depend on the marketing manager of the firm as in the appendix B.

The cultural differences may ruin the marketing process as the Japanese managers may apply their own marketing cultural system in the areas of

product attributes knowing that products only sell well when their attributes matches the consumer's needs and the distribution strategy as this might not yield to the expected result of the company.

Communication Strategy: the means through the company ideas would be communicated to their targeted markets might have some huddles as this would include body language, speech and pictures speaks a lot, but it can also be interpreted differently especially having to do with two different cultures. Averted eyes are a sign of respect to the Japanese which the managers might be using; the Germans may misinterpret it to be something else. However, the Germans uses handshakes to bond agreements which the Japanese managers may not feel comfortable with, but rather they would prefer bowing and the Germans might find that to be funny. The Japanese manager may view this as lack of respect or ignorance.

Economic Development: the marketing managers may apply a lower product standard to the manufactured cars which might have a negative response from the consumers knowing that consumer behavior is highly influenced by the economic development (high technological standard). However, consumers in highly developed countries like Germany tend to demand extra performance attributes in their cars not regarding the pricing factors. In this case, product reliability is highly recommended for the German market.

Personal Appearance: The Japanese might want to remain true to their beliefs by dressing in their traditional attire to work. The Germans may view this as inappropriate or unprofessional for a business environment.

Religion: Religion dominates life in a way that is often difficult for the Germans to understand. The Japanese celebrates their new year (shogatsu or oshogatsu) in a very big way. Most businesses are usually shut down for almost a week during this period which the Germans may view it to be mixing pleasure with business. These differences need to be respected, where possible, and not ignored (Japan-guide. com, 2010).

Managing Cultural Differences in the Finance Department

The Role and Status of the Finance Managers: Accounting has its own business communication language which varies from country to country. The use of the Japanese financial standard may result to confusion in the finance department during auditing as it is possible for countries with a lower uncertainty avoidance cultures to depend on the professionalism of auditing system of another country with a better experience. However, it is the introduction of the International Accounting Standard Board that would be suitable for the management to use in order to prevent cultural financial differences.

The Lack of Comparability of Financial Report: Due to the national differences in the accounting and auditing standard, the Japanese managers may find it difficult to interpret and understand the German's financial standard and it is the introduction of transnational investment and the transnational financial report that would be suitable for the finance depart that would be made up of two or more different cultural backgrounds.

Investment Decisions in the Finance Department: The cultural differences in the department can result to the manager using the Japanese ideas to

strategize the different sectors to invest on. This might back-fire as the German market is different from that of the Japanese's and what is working their economy might not work for the German market. However, the use of capital budgeting with the assistance of a local staff would be a solution to this issue as it can be complicated when it comes to international differences.

Currencies Differences: This will give the foreign managers a tough time for a while to know the different denominations of the German currencies and would be time taking during the conversion of the currencies. Another issue might be the use of the debt financing method which is mostly common in the Japanese financial institution and this is not common in the German financial system.

However, it is quite impossible to identify all of the potential cultural differences. Therefore, many resources are available to help the both parties learn more about each other's cultures if they are so inclined.

Workers might act like they understand what the managers would say, but in fact, may not know. This can be dangerous. An example is a business journal article on the rising number of Hispanic workers in Charlotte-Mecklenburg's construction industry. It points out how workers who speaks little English were at risk of having accident on their job because of not having enough grasp of safety standards. In the case of this issue, on-site training can be organize with the help of interpreters to ensure that a clear and complete understanding is achieved at the industry in Germany.

Recommendations on How to Deal With the Potential Issues that Are Likely to Arise Between the Japanese Managers and the German Workers

Clearly, it is the responsibility of the Japanese manager to learn German language and adapt to their cultural norms in their workplace. However, this can be for longer time duration. In return, the German worker should not just expect the foreign managers to figure out things by themselves as this can be a setback in workplace.

The human resources department in Japan can be of help by offering tips and suggestions on how these issues can be bridged. The area of suggestions can be as follows:

Learn as much as you can about the culture of the Germans as cross-cultural literacy is critical to the success of every international business.

Recognize the broad ethnic diversity that exists within the different groups in the German workforce. There are different cultural groups in Germany (Danes, North Frisians, Sater Frisians, Sorbs, Sinti and Roma (Culturalpolicies. net, 2010). Therefore, there is the need for the managers to learn about these groups in order to recognize their ethnic diversities.

Respect the staff differences, abilities and personalities. The managers should not just assume the Germans share common language or culture as that may not mean they are the same or alike. Stereotyping discounts individuals and can limit options for them in workplace. As getting to know the worker's culture would be the first step to getting to know them as individuals.

Consider having co-workers who will serve as mentors and coaches to help the managers adapt to the culture and vocabulary of the workplace.

Feedbacks should be asked for and demonstrations should be used to ensure that complete understanding is achieved. Helping people to learn your language is another way to build trust and loyalty.

Co-workers should be of help to prevent feelings of inadequacy and embarrassment when their superiors and co-workers cannot express themselves clearly and this can be done by being patient.