

# Globalisation and cross cultural management

[Business](#), [Management](#)



Globalization and cross cultural management Case: globalization of healthcare- shortage of radiologists in the US and demand is twice as large as the rate of graduation. Solution is to send Images over the internet to be interpreted by radiologists in India? In 2004 170, 000 triggers visited India for medical treatments and is expected to grow at 15% for the next several years Globalization: The shift toward a more integrated and interdependent world economy. Globalization of markets: the merging of distinctly separate national markets into a global market place.

This includes falling barriers to cross border trade (which have made it easier to sell internationally), the convergence of global tastes and preferences and the development of standardized products suited to a world market.

Difficulties with the globalization of markets generally arise from significant differences among these national markets, country specific marketing strategies and varied product mixes. Globalization of production: refers to the sourcing of goods and services from locations around the world to take advantage of differences in the cost or quality of the factors of production (land, labor, capital).

Increasingly companies are taking advantage of modern communication technology, and particularly the Internet, to outsource service activities to low cost producers in other nations. Outsourcing of productive activities to different suppliers results in the creation of products that are global in nature. Impediments to the globalization of production include: formal and informal barriers to trade, barriers to trade, transportation costs. Issues associated with economic risk and issues

associated with political risk. Drivers of globalization: Two macro factors seem to underlie the trend toward greater globalization.

These include- \* decline in barriers to the free flow of goods, services and capital that has occurred since WWI \* technological change Declining trade and investment barriers: During the 19th and 20th centuries, many of the nation states of the world erected formidable barriers to international trade and investment. Advanced industrial nations of the west committed themselves after WWI to removing barriers to the free flow of goods, services and capital between nations. Technology: Lowering of trade barriers made globalization possible; technology has made it a reality.

Since the end of the 20th century the world has seen advances in communication, information processing and transportation technology. Advantages of globalization: \* Lower prices for goods and services \* economic growth stimulation \* increase in consumer income \* creates jobs \* countries specialize in production of goods and services that are produced most efficiently Disadvantages of globalization: \* Destroys manufacturing jobs in wealthy, advanced countries \* Wage rates of unskilled workers in advanced countries declines \* companies move to countries with fewer labor and environmental regulations \* loss of sovereignty What is culture? Culture is coherent (each fragment of a culture makes sense if you know the whole tapestry of culture), Culture is learned (families, friends, media), Culture is the view of a group of people (nation, religion, clan, family), culture ranks what is important (values) and culture furnishes attitudes and dictates behavior. There are two main elements of culture. These include: on stage or

visible elements of culture and back stage or invisible elements of culture. Transactional culture is the culture that develops when cultures meet and have to collaborate (I. E an NC).

Model of culture: Artifacts and Products Explicit Onstage-culture Norms and Values Off-stage culture Basic Assumptions Implicit Off stage culture: includes aspects such as the Susie culture where we give everybody a fair go, and the Chinese culture where they have the importance of Guiana in society and not losing face, or in Thai culture where there is a high respect for superiors and harmony/balance. Understanding dimensions and theories of culture part one (Trampers) What is culture? : Culture is acquired knowledge that people use to interpret experience and generate social behavior.

This knowledge forms values, creates attitudes, and influences behavior.

Characteristics tot culture: \* Learned \* Shared \* Trans-generational Symbolic \* Patterned \* Adaptive A model of culture: Understanding culture: Cultures do not vary in essence (people spend their time trying to solve similar problems) but in their preference for certain solutions. Egg is how to treat a flu (sickness) in a country. Understanding culture is to understand the underlying meanings attached by a given community/group of people to those universal concepts and activities, and to the behaviors they incur.

Values in culture: Values are learned from the culture from which the individual is reared. Differences in cultural values may result in varying management practices ND involve the basic convictions that people have about right and wrong, good and bad etc. Value similarities and differences across cultures: 1 . Strong relationship between level of managerial success

and personal values 2. Value patterns predict managerial success and can be used in selection/placement decisions 3. Country differences in relationship between values and success; however findings across US, Japan, Australia and India are similar 4.

Values of more successful managers favor pragmatic, dynamic, achievement oriented and active role in the interaction with others 5. Values of less successful managers tend toward tactic and passive values; relatively passive roles in interacting with others How culture affects managerial approaches: \* Decentralized and Centralized decision making: In some societies, top managers make all important organizational decisions. In others, these decisions are diffused throughout the enterprise, and middle and lower level managers actively participate in, and make, key decisions. Safety Vs. Risk: In some societies, organizational decision makers are risk averse and have great difficulty with conditions of uncertainty. In others, risk taking is encouraged, and decision making under Individual Vs. Group rewards: In some countries, uncertainty is common. Personnel who do outstanding work are given individual rewards in the form of bonuses and commissions. In others, cultural norms require group rewards, and individual rewards are frowned upon. \* Informal procedures Vs. formal procedures: In some societies, much is accomplished through informal manner.

In others, formal procedures are set forth and followed rigidly. \* High organizational loyalty vs. low organizational loyalty: In some societies, people identify very strongly with their organization or employer. In others, people identify with their occupational role, such as engineer or mechanic. \*

Cooperation Vs. Competition: Some societies encourage cooperation between their people while others encourage competition between their people. \* Short term Vs. Long term horizons: Some cultures focus most heavily on short term horizons, such as short-range goals of profit and efficiency.

Others are more interested in long-range goals, such as market share and technological developments. \* Stability Vs. Innovation: The culture of some countries encourages stability and resistance to change. The culture of others puts high value on innovation and change. Trampers' Cultural Dimensions: . Universalism Vs. Particulars: Universalism implies that ideas and practices can be applied everywhere. High universalism countries have lots of formal rules and closely adhere to business contracts (egg Canada, US, HECK).

Particulars is where the circumstances dictate how ideas/practices apply; high particulars countries often modify contracts (egg China, South Korea) 2. Individualism Vs. Communitarian's: Individualism focuses on people as individuals. Countries with high individualism stress personal and individual manners- they assume great personal responsibility (egg Canada, Thailand, US, Japan). Communitarian's is where people regard themselves as part of a group. They value group related issues, committee decisions and joint responsibility (egg Malaysia). 3.

Neutral Vs. Emotional: Neutral is a culture where emotions are not shown and people act stoically and maintain composure (egg Japan and UK). In emotional, emotions are expressed openly and naturally- people smile a lot,

talk loudly and greet catheter with enthusiasm (egg Mexico, Netherlands, Switzerland). 4. Specific Vs. Diffuse: Specific is defined as a large public space shared with others and their small private space if guarded closely. High specific cultures the people are open and extroverted, with a strong separation between work and personal life (egg UK and US).

For diffuse, public and private spaces are similar size, where the public space is guarded because it is shared with the private space; people are indirect and introverted with their work/ private life being closely linked (egg China, Spain). 5. Achievement Vs. Ascription: Achievement oriented is a status based on how well functions are performed (Austria, US). An ascription function is status based on who or what the person is (China, Indonesia). 6. Time: Sequential is where here is only one activity at a time, appointments are kept strictly and plans are followed as they are laid out (US).

Synchronous involves multi tasking and making approximate appointments alongside schedules that are subordinate to relationships (egg France, Mexico). Present Vs. Future: Future more important in Italy, US; Present more important in Venezuela, Indonesia; all three time periods equally important in France and Belgium. 7. The Environment: Inner directed is where people believe in the control of outcomes (US, Greece, Japan) and outer directed is where people believe in letting things take their own course (China,