

Organizational Design Change and Transformation
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Module - 07
Lecture - 35
International Aspects of Organizational Culture

Welcome to lecture number 5 of week 7. This is the last lecture of this particular module and this previous lectures we discussed about you know organizational culture and we discussed about how do we you know transmit the organizational culture, we also discussed about organizational climate and we discussed about how do we create the culture and manage the culture and how do we change or when do we change the organizational culture, ok.

Having discussed so far on the specifically on organizational culture in today's lecture we are going to go much broader on the culture because now in this lecture we are going to discuss about International Aspects of the Organizational Culture. Because now you see that you know after globalization and the open economy where we see that you know we large number of companies operate in different location and different countries.

And the barrier of being restricted to one specific country is no more a case where we see that no become a global organization. When we say global organization companies operate in multiple countries parallely and now what we have to understand is that ok I have an organizational culture, create any organizational culture. Now, I am operating in multiple countries. So, now, there is a obvious cultural differences attributed towards a specific subculture within the country or probably the larger level country level culture.

Now, people in a country will share a common set of beliefs and value system. So, that will become a part of a you know larger national level culture. So, people would have imbibed that particular culture within them, but now vice versa we are also trying to see that companies going to operate in a particular culture and company would have developed an organizational culture.

So, now interestingly to understand when an when a organizational culture evolves. So, if you recollect what we were discussing in a previous lectures the founders values have a lot of you know significant impact on the creation of the value culture. Let us say the founder also comes from a specific country. So; obviously, there can be more reflection of the national culture from where he or she has born from, right.

So, now you look at the connection of national culture on the organizational culture. You see there can be more potential opportunity or the case that you know national culture would influence the organizational culture. Now, comes the another side of a story that you understand ok now we are agreeing to the fact that yes national culture would have influenced the organizational culture.

Now, my organizational culture is developed, but at the same time now I am trying to operate in multiple culture as well. So, now what is that I require to understand this differences and how do we integrate this cultural that is what the criticality and success factor of a company comes from because you want to become global and grow globally then you should accept certain cultural differences.

And how do we accept and integrate this you know cultural differences of a country level cultural differences into the organizational culture. That is what we are primarily going to understand develop and understanding on these aspects of you know see how this organizational culture and clustering of you know culture national culture can happens.

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The slide features a dark blue header with the title 'CONCEPTS COVERED' in yellow. Below the header, a yellow box contains the text 'This lecture session will cover' followed by a bulleted list of four items. A small inset video of a man in a purple shirt is visible in the bottom right corner of the slide. The footer includes the IIT Kharagpur and NPTEL logos.

CONCEPTS COVERED

This lecture session will cover

- Organizational culture and cluster
- Countries having culture cluster
- GLOBE Project 's nine dimensions of culture
- International aspects of organizational culture and
- Strategies for managing organizational cultural diversity

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How countries having you know various culture may be clustered together on what basis they have been clustered. So, may be how does this you know organization have a similarities of the organizational culture and we are going to discuss about very important you know understanding to have a more awareness about how the cultural differences are different from the countries from a very interesting projects by GLOBE project which are talking about under 9 dimensions they were attempted to differentiate the country each country's cultural orientation and the dimensions

And we will also understand what is the international aspects of an organizational culture and of course. So, now comes the significant impact what we discuss is the strategies for managing organizational cultural diversity as we say come when company operate in multiple

countries you will find that you know diverse cultured people are into your organization or we are going to manage this diversity for the betterment and performance of the organization, ok.

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Organizational Cultures and Its Clusters

Cultures across countries vary, but there are similarities in cultures among some countries. Countries that share cultural similarities form culture clusters. It is not that a culture cluster does not have differences, but the similarities are predominant.

Improvements in communication and transportation have made culture clustering possible. MNCs facilitate this process of cultural convergence that defines appropriate lifestyles, attitudes, and cultural values for the country in which they operate.

The slide features a yellow text box with red underlines and boxes around key phrases. To the right, there are hand-drawn diagrams: a central atom-like symbol with three dots, and two boxes labeled 'A' and 'B' containing small red dots. A video feed of a presenter in a purple shirt is visible in the bottom right corner. The slide footer includes the IIT Kharagpur and NPTEL logos.

Let us get into the lecture and you know understand. See now how this clustering happens and to that we do understand the culture will; obviously, will vary across country because country to country people might have a common shared values and believe systems. So, it is you know very evident that yes culture will be certainly a different from country to country, but what is very important and what is interesting that we are going to see is, but there are also similarities of culture among some countries.

We would agree that now we often talk about you know western country versus South Asian countries have sharing certain common you know set. Certain common similarities probably if you look at you know European countries might you know have a similar similarities on

certain aspects of course, the each country might differ in some aspects of it. So, you see that no there is also a possible of similarities of certain aspects in a culture.

So, the countries that share similarities from a culture clusters that is where we are trying to understand, ok. So, it is not that culture you know the culture cluster do not have a differentiation of course, yes there are differences, but similarities are predominant that is where we create a you know culture cluster. So, let us say there are group of countries like say 1, 2, 3 these are the countries which are forming coming into the cluster here let us say there are two clusters cluster A and B.

Now, there are some countries these are all countries these dots are called countries. Now, these countries how why did they come into this particular cluster is there are differences, but their similarities are large, they share a large portion of a similar culture. So, they are coming into this particular cluster. So, that that is how now we are trying to understand how what are those countries are coming into the culture clusters, ok.

So, now how does this you know clustering was possible now you look at now because of the improvement in communication and technology and of course, the transportation and mobility become so hired all that become a you know critical factor that are influenced in you know creation of the culture you know cluster being possible.

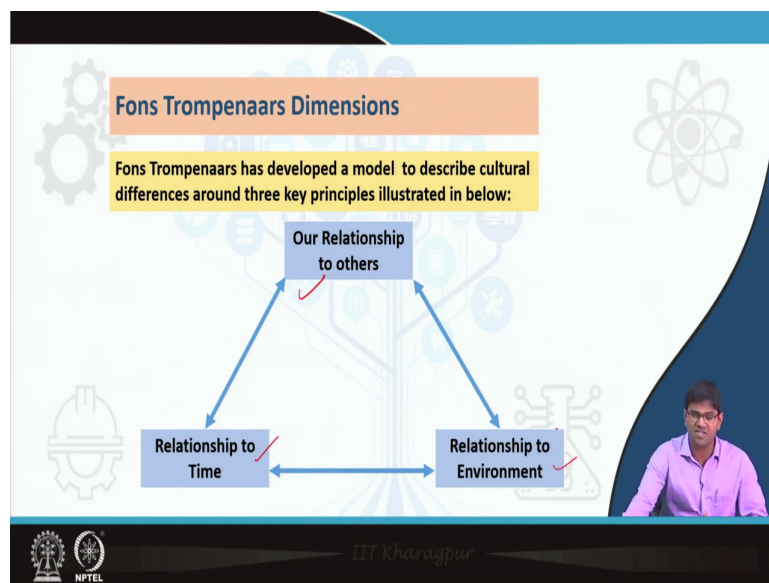
And you know now come a from a company process you know MNCs facilitate this process of cultural convergence which is very critical right as a company when I am a globally present company that I am really you know concerned about. So, how do I take an advantage of understanding this where this country cluster culture cluster comes so, that my you know effort requires little less. Because I can you know customize to deliver to large number of countries because they have share a common culture, so, there are more similarities. So, we are trying to understand the you know culture clusters.

So, this will actually by way of defining this appropriate lifestyles, attitude and culture values for the country in which they operate it is very critical because let us say when a company based out from India and if this kind of company wants to operate in let us say in UK or

Australia or probably United States of America then if you look at now a company which are based out in India wants to expand and operate globally.

Now, can I keep the same culture in other places obviously, it is not possible, but you can to maximum you can retain the core values of a company, but you can have to you know see that how do you integrate the local cultures as well. Otherwise you know people might feel they may not fit into the they do not feel that there is a you know alignment of my culture with the organizational culture people may not accept the company. So, it is there is a possible way that organization has to learn the differences in a culture and try to integrate a part of an organizational culture.

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Now, so you know to understand this you know culture cluster so, Fons a Trompenaars have developed a model to describe you know how this cultural differences are happening. So, he

says there are under three key principles this cultural differences can be understood. So, in lecture we are talking about there are differences right how do we understand the differences.

Under what premises are under what the basis we say we are different ok. He says there are three you know key principles under which you will be able to see via there are cultural differences. What is about relationship to time? So, whether you know you have been all the time talking about anticipating about the future, you have to concerning about the future are some countries, some cultures may only talk about the present.

Some country really relay on the past instances so, it may be based on the you know relationship between time. Then our relationship to others how you maintain relationship with the others you know some country you are only concerned about same there are very individualistic based countries western countries score high on this individualistic.

Whereas you know Asian countries or South Asian countries are mostly you know collectivist country where the relationship to others are so, strong they are not individualistic they are always prefer to be in an a collectivist mode. Then your relationship to environment on these three parameters he makes that the Fons Trompenaars says that know you will be able to see that cultural differences in a country.

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Hofstede's Dimension

Geert Hofstede, a Dutch scientist who identified four cultural dimensions around which countries have been clustered with people in each group exhibiting identical behaviours.

Power distance	Uncertainty avoidance
Individualism-collectivism	Masculinity-femininity

The slide features a presenter in a purple shirt in the bottom right corner. The background includes icons of gears, a lightbulb, and a molecular structure. Logos for IIT Kharagpur and NPTEL are visible at the bottom left.

But going further on this to understand this cultural differences very famous work by Hofstede you know this Hofstede and their colleagues have worked extensively on this culture factor to know run a very extensive study across in a countries in the world to see that ok how the countries are different on the certain cultural orientations or it certain dimensions.

They have identified four key dimensions under which they will be able to see ok how countries are different on their kind of a orientation they have. They have identified four important dimensions; one is a power distance so, the what is this power distance? Power distance is talking about you know accepting this unequal power distributions it will be surprised to see how are we talking about somebody will accept this unequal power distributions.

Meaning that it will go on a continuum high to low ok high to low. Now, so, what are we talking about this high to low. So, power distance meaning the let us say you know country which are you know accept this unequal power distribution and as a unequal power distribution means so, there is a hierarchical difference in people holding power.

Let us say country like Indian we are high on power distance because see the distance between people in power and the one level below is really higher there is a difference the gap between the you know hierarchical difference is really higher and because anything comes from the top management is always accepted there is no questioning are the top level people right.

Then countries are low on the power distance means their differences between this hierarchical differences are relatively less that is why the cultural difference. So, countries might be scoring high on power distance some countries may be you know scoring low on power distance. Then comes individualism and collectivisms.

So, individualism is the orientation of a country where people are concerned more individualistic approach concerned about self whereas, collectivistic country which you know appreciates you know group living you know being in a group you know values at the group living. So, that is why the collectivism countries may be certain countries on individualistic orientation certain countries might follow a collectivistic orientations.

Then comes you know uncertainty avoidance. So, country certain country might wanted to be always very predictable and they should they want always want everything to be very certain they do not want to have any you know any unpredictable things to come up. So, certain country are always avoid uncertainties there are countries. So, they all they do not worry about they also try to embarrass this uncertainties you know explore those uncertainties.

So, that under that orientation also countries are different. So, they develop this you know scale which is very much been appreciated been applied in various studies to see how

countries cultural dimensions has played a critical role in differentiating countries and why they react or why they act in certain way.

Then comes masculinity and femininity. Masculinity is kind of a characteristics you know it is you know more adventurous a risk taking a masculine femininity is talking about more carrying. So, so the countries might have certain characteristics of these masculine characteristics and certain you know characters of the feminine characteristics

So, countries might also differ on the kind of a characteristics oriented towards masculinity or maybe characteristics towards oriented towards a femininity so, country might also differ based on this cultural dimensions. That is a one of the you know important work that actually made an attempt to see how countries are different based on their cultural orientations.

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Countries Having Culture Cluster on the basis of Language Similarities

Anglo	Latin America	Arab	Latin European	Independent
Australia	Argentina	Abu Dhabi	Belgium	Brazil
Canada	Chile	Bahrain	France	India
Ireland	Colombia	Kuwait	Italy	Israel
New Zealand	Mexico	Oman	Portugal	Japan
South Africa	Peru	Saudi Arabia	Spain	
UK	Venezuela	UAE		
USA				

Source: Mahancy, D., et al. (1998)

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Now, for example, now we are talking about a culture clusters right. So, now we are just presenting you based on a language similarity. Now, we talk about you know there are them we create a culture cluster based on large similarities, right. Let us say talk about a language as a one. So, how countries are clubbed based on the language.

For example, Anglo where in a countries like Australia, Canada, Ireland, New Zealand, South Africa, UK and USA are coming into this Anglo because based on the language they speak you know English being there you know native language these countries are clubbed into Anglo. Then if you look at you know Latin America where we talk about you know these are the countries you know Argentina, Chile, Colombia, Mexico, Peru, Venezuela. So, they are all coming into the Latin America. Then you come Arab where they speak lots of in Arabic.

So, Abu Dhabi, Bahrain, Kuwait, Oman, Saudi Arabia, UAE all coming under this Arab then coming the Latin European where you see these countries like you know Belgium, France, Italy, Portugal, Spain are coming into a Latin Arabian because we are talking about a based on a language similarities. Then you see there are independent countries you know for example, Brazil, you know India, Israel, Japan, are you know independent on the language similarities because you do not see this people speak other country people speak other languages.

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Countries Having Culture Cluster on the basis of Language Similarities

Near Eastern	Nordic	Far Eastern	Germanic
Greece	Denmark	Hong Kong	Austria
Iran	Finland	Indonesia	Germany
Turkey	Norway	Malaysia	Switzerland
Portugal	Sweden	Philippines	
Spain		Singapore	
		Taiwan	
		Thailand	
		Vietnam	

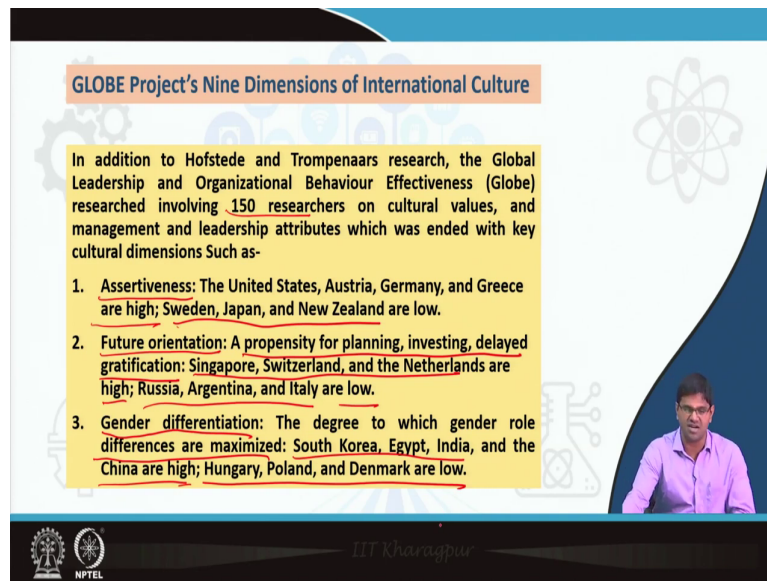
Source: Mahancy, D., et al. (1998)

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So, then also you see that you know near Eastern being you know Greece, Iran, Turkey, Portugal, Spain there is a Nordic, Denmark, you know Finland, Norway and Sweden. And of course, you say the far Eastern countries like you know Hong Kong, Indonesia, Malaysia, Philippines, Singapore, Taiwan, Thailand and you know Vietnam.

Then you know Germanic we are talking about Austria, Germany and Switzerland. So, we ok. So, where we see you know Switzerland, you will see and Germany all you know mostly people speak German. So, we are talking about you know based on the language similarities we can create a culture clusters.

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GLOBE Project's Nine Dimensions of International Culture

In addition to Hofstede and Trompenaars research, the Global Leadership and Organizational Behaviour Effectiveness (Globe) researched involving 150 researchers on cultural values, and management and leadership attributes which was ended with key cultural dimensions Such as-

1. Assertiveness: The United States, Austria, Germany, and Greece are high; Sweden, Japan, and New Zealand are low.
2. Future orientation: A propensity for planning, investing, delayed gratification: Singapore, Switzerland, and the Netherlands are high; Russia, Argentina, and Italy are low.
3. Gender differentiation: The degree to which gender role differences are maximized: South Korea, Egypt, India, and the China are high; Hungary, Poland, and Denmark are low.

The slide features a blue header, a yellow text box, and a video inset of a man in a purple shirt. Logos for IIT Kharagpur and NPTEL are at the bottom.

Now, let us try to understand the GLOBE project. Now, just if you look at this Globe project, Globe project is actually mostly viewed as a greater extension of the Hofstede's world. Now, Hofstede identified four then later four dimension has become five and six cultural dimensions.

Now, the Globe actually wanted to see maybe restricting to four dimensions or five dimensions are it is a narrower view. They wanted to they have you know worked on top of it you know they actually you know wanted to expand this cultural dimensions to understand this you know differences based on the culture between the countries.

So, they went on to conduct this project where they have involved more than 150 researchers and they try to see ok what are the cultural dimensions and you know which differentiates

countries different countries on different sides of the cultural orientations. Now, assertiveness under assertiveness being assertive right.

So, there are countries like you know US, Austria, Germany, Greece are high on assertiveness means the assertiveness are degrade to which the people are concerned about the self they are there you know assertive, right. So, you know then they also will talk about co-operative you know where people degrade with the people are concerned or accepting to others.

So, it is only concerned about a self is highly assertive countries. Now, you see Sweden, Japan, New Zealand are low on the assertiveness. Now, come future orientation. Now, if you look at future orientation which also may be a very similar may be a distinct content you know aspect from an uncertain.

Future orientation it is what is it future orientation is talking about propensity for planning, investing and delayed gratification. Instead of looking for an immediate gratifications, I am these countries are looking for a future orientation. What they always that I am concerned about the future preparing for the future. So, Singapore, Switzerland and Netherlands are scoring really high on future orientations

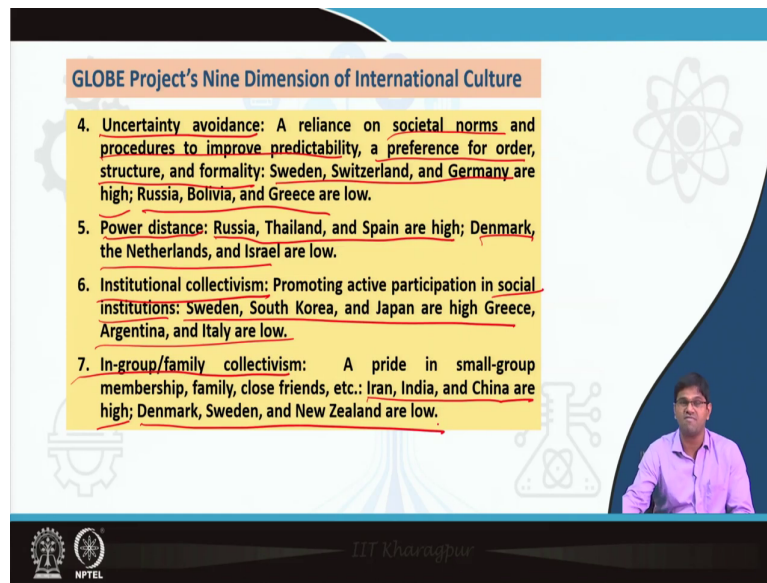
Whereas country like you know Russia, Argentina, Italy are low they are their future orientation is related less compared to these countries then comes a gender differentiation. What is the difference in gender differentiation? Degree to which the gender roles differences are maximized there is a you know big differences on gender differences you know. So, some gender has been valued more compared to the other gender.

Let us say you know country like you know South Korea, Egypt and India and China are high where we talk about there is a you know evident you know gender disparity male and female orientations are different where you know people male being given more preferences over female counterparts of it.

So, where these countries score high on this gender differentiation whereas, you know Hungary Poland and Denmark are low meaning that. So, the gender disparities not that high

and you know they are trying towards the equality orientation. So, that is where a gender differentiation also gives what type of the orientations the country has on the gender differentiation.

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GLOBE Project's Nine Dimension of International Culture

4. **Uncertainty avoidance:** A reliance on societal norms and procedures to improve predictability, a preference for order, structure, and formality: Sweden, Switzerland, and Germany are high; Russia, Bolivia, and Greece are low.
5. **Power distance:** Russia, Thailand, and Spain are high; Denmark, the Netherlands, and Israel are low.
6. **Institutional collectivism:** Promoting active participation in social institutions: Sweden, South Korea, and Japan are high Greece, Argentina, and Italy are low.
7. **In-group/family collectivism:** A pride in small-group membership, family, close friends, etc.: Iran, India, and China are high; Denmark, Sweden, and New Zealand are low.

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Then comes uncertainty avoidance you know racially you know reliance on societal norms and procedure to improve the predictability. You know uncertainty avoidance is that you want to avoid any uncertainties where we are we want to concern about ok predicting the you know future outcomes and you know they always want a preference for an order and structure and formality.

So, these countries always look for you know wanted to predict these you know future events and wanted to maintain an order and then structure and formality. It is a Sweden, Switzerland, Germany are high on this uncertainty avoidance whereas, like you know country like Russia,

Bolivia, Greece are low on this uncertainty avoidance. Means they do not you know concern about this you know predicting these future events this countries like Russia, Bolivia and Greece, ok.

Now, comes power distance. So, power distance I have already explained the you know degree to which the unequal power distribution or accepted where you see that you know Russia, Thailand, Spain they are having high on you know power distance they were country like India as well fitting into this high power distance countries.

Then you know Denmark and Netherlands and Israel are low on a power distance. So, the you know there is no not much power unequal power distributions there in those countries. Now, comes in institutional collectivisms. So, it is kind of a promoting active participation in social institutions. You know more of you know being together you know kind of a collectivist close to the collectivist and individualist orientations.

So, country like Sweden, South Korea, Japan are high on this you know institutional collectivism and then organizational level they look you know active participation in social institutions whereas, Greece and Argentina Italy are low on this institutional collectivism. Then comes in group and family collectivism a pride in you know small group membership with the family are a close friends.

So, country like in India, Iran, China are high on this in group or family collectivism they promote more of you know small group membership being in the family giving more importance to the family. Now, comes you know Denmark, Sweden and New Zealand are relatively low on this in group and family collectivism.

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The slide displays the following text:

GLOBE Project's Nine Dimension of International Culture

8. Performance orientation (much like achievement orientation). Singapore, Hong Kong, and the United States are high; Russia, Argentina, and Italy are low.

9. Human orientation: An emphasis on fairness, altruism and generosity. Ireland, Malaysia and Egypt are high; Germany, Spain, France, Singapore and Brazil are low.

Handwritten annotations in red ink include:

- A box labeled 'Low Culture' with an arrow pointing to the text of item 8.
- A box labeled 'High Culture' with an arrow pointing to the text of item 9.
- A box labeled 'Misconception' with an arrow pointing to the text of item 9.
- The name 'Saketmani / Dr. Anmi' written in the top right corner.

The slide also features logos for IIT Kharagpur and NPTEL at the bottom, and a small inset image of a presenter in a purple shirt.

Then comes performance orientations. If the performance and orientation is more towards you know achievement orientation right I wanted to achieve really higher. So, country like Hong Kong, Singapore and U.S. are high on this Russia, Argentina, Italy are low on this and come then the last one is a human orientation. It faced more emphasis on our fairness or maybe altruism helping others or generosity talking about more generosity.

You look at a country like an Ireland, Malaysia, Egypt are high on this human orientation whereas, you know Germany, Spain, France, Singapore and Brazil are low on this limit. Now, you will be wondering. So, why should I be knowing about all this you know now just looking away from look at from a longer angle that you know you will be able to understand ok how if you we can go back and take this download this Globe project there are the results and reports are available.

Maybe if you wanted to know about different countries orientations what type of a culture this country has? Now, this will give you a more you know indicative input on what type of a culture that particular people share and what type of a orientation these people will have. Now, I need to know that now as a company will always operate within a country right. As I said you will have a culture now country has a culture now I want to fit into this culture

Now, comes a challenge. If there is a greater you know misalignment ok. So, there is a higher misalignment of company culture let us say organizational culture let us say country culture ok. Now, there is a higher misalignment now because here when I say organization country level culture people are experiencing or sharing this culture right, sharing this culture. Now these people are the one who is going to work in your company. There is a higher misalignment then becomes more challenging too.

So, now organization has to learn about this culture. So, that you make certain you know adjustment to the you know company or country culture so, that you will be able to reduce this misalignment and try to you know hold retainer core values, but the same time you know flourish you know specific country. That is why we are trying to learn about this different cultural orientation of the countries. This will give a more you know insight on how you have to operate in a global business environment ok.

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International Aspects of Organizational Culture

Effects of national cultures on multinational organizations:

- Local cultures can shape the subcultures of globally dispersed units
- National culture, local business norms, and the needs of local customers can affect the subcultures of such units
- Example: the multinational insurance firm **AIG** follows local practices in collecting monthly premiums:
 - At each insured's home in Taiwan ✓
 - Electronic bank transfers in Hong Kong ✓

Handwritten diagram: A central box labeled 'HQ' is connected to boxes for 'UK' and 'Australia'. 'UK' is connected to 'X' and 'US'. 'Australia' is connected to 'B'. 'X' is connected to 'India'. 'India' is connected to 'Sub-culture'. 'US' is connected to 'Sub-culture'. 'Sub-culture' is connected to 'Local Culture'. A note says 'Difference in Org. Culture'.

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Now so, now, if you look at you know why the international aspects of organizational culture see the effect of national culture on multinational organizations that is why just now I talked about it right. So, this culture has a lot of impact on especially multinational organization who operates in multiple countries.

So, now what we generally see is the local culture can always shape the subculture of globally dispersed units. So, as I was saying the country's culture will influence the subculture when I say subculture. So, company might have a subculture based on the different locations they operate my let us say I am a I am a company called X. So, I operate in India then I also operate in US ok. Let us say there is a company B I operate in UK and I operate in Australia.

So, now what will happen? So, this is my you know headquarter and I say this is my headquarter I am operating in India. Now, this India culture will this will be a subculture of

your organization because you operate in multiple locations. Similarly, let us say this is the headquarter then this you are operating in Australia now this become a subculture. So, what will happen the subculture of a country are largely driven from the local culture.

When I say local culture is a culture of a India right. Local culture will influence and shape the subculture of this country because subculture means there can be difference in organizational culture same organization. So, your same company acts in two places, but there are differences in organizational culture in the subculture. So, these are attributed towards local culture will influence right.

Now, for example, you know some example you know AIG is an insurance company. So, how do they collect monthly premiums in Taiwan what do they do they you know collected from each insured person at home. Whereas in Hong Kong? They do through a electronic bank transfer it also depends on the certain culture and how do you want to integrate this culture right.

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The slide is titled "International Aspects of Organizational Culture" and features a list of four bullet points. The text is as follows:

- Employees from many countries working side by side
- They do not shed their national cultural values when they come to work
- Strong chance of subcultures forming among national lines
- Research evidence suggests that instead of masking local differences with organizational culture, multinational cultures may increase ties that people have to do with their native cultures

The slide also includes a video feed of a presenter in the bottom right corner and logos for IIT Kharagpur and NPTEL at the bottom.

So, now another aspect I have to understand is you know employees may come from various cultural backgrounds may a come from different countries. So, when they parallelly work you have to understand there are cultural diversity you know they do not when they come and work for a company from a different country they may not just like leave their you know countries culture.

So, they will also carry their values and cultural aspects of their own country right. Now, what is the challenge that you know ok employee come from a different country have a different culture and my organization also has experiencing having a different culture. Now, how do I you know synthesize and create more synergy and integrate them part of my organizational culture.

So, now you know what is that you know we need to understand that you know there are cultural diversity. So, we need to see that you know there are strong chance of subcultures forming among national lines you will find you know subcultures coming up based on because people come from different countries.

And you know research also supports that you know instead of making a local differences with the organizational culture multinational cultures may increase you know tie with that people have to do with their native cultures. So, you have to more promotive of this diversity and cultural diversities ok.

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International Aspects of Organizational Culture

- Multinational cultural diversity
 - Managers may refuse to recognize cultural differences and insist on the home culture way of doing business
 - The cultural synergy view sees multinational cultural diversity as a resource
 - Use combinations of cultural differences for the strategic advantage of the organization
 - Get better product ideas for culturally diverse markets and better communication with culturally diverse customers

Penetrate New Market

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Then comes you know multinational cultural diversity. You know you have to accept and become aware that you know there are cultural differences and people come from various cultures might work in my company. So, now what we are actually looking at is you know

how do I create this cultural synergy and it seems that you know multinational cultural diversity as a resource.

You do not see it as a challenge rather you look at it as a resource. Why it is there you know resource? Because you look at you know the combination of cultural differences for strategic advantage of the company. Because you would like to look at you know you might get a better idea product ideas are probably you know people come from different culture give you a understand different markets.

So, how the different markets behave let us say you wanted to you know penetrate a new market ok new market. Now, when you have employees coming from these new markets you will have an advantage they will be able to help you in you know strategic decision and how do we devise your ideas and activities. So, there are advantages. So, you should always look for a synergies and accept there are cultural diversities and differences and you know you have to take better support of this you know differences.

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International Aspects of Organizational Culture

- Cultural Values of three representative countries

American	Japanese	Arabs
Freedom ✓	Belonging ✓	Family security ✓
Independence ✓	Group harmony ✓	Family harmony ✓
Self-reliance ✓	Collectiveness ✓	Parental guidance ✓
Equality ✓	Seniority/age ✓	Age ✓
Competition ✓	Cooperation ✓	Compromise ✓
Efficiency ✓	Quality ✓	Devotion ✓
Openness ✓	Go between ✓	Hospitality ✓
Aggressiveness ✓	Inter-personal	Friendship ✓

The slide also features the IIT Kharagpur and NPTEL logos at the bottom left and a presenter's video feed at the bottom right.

And you know we let us just look at you know based on the cultural values of three different countries ok. So, let us say these orientations are different aspects you know. So, I am just comparing three countries US, Japan and Arabs. So, if you look at you know. So, there more freedom you know individualistic and there are lot of belongingness and family security is a concerned for you know in Arab.

Now, for example, in America more of independence so, they are more independent in each individual are independent they are not dependent even among the family you see that you know children's are given lot of independence a parent do not you know oversee the children's are micromanage the children.

Now, where as in Japanese they look at a group harmony and family harmony is promoted in you know Arabian countries then comes out more of a self-reliance. I assume because

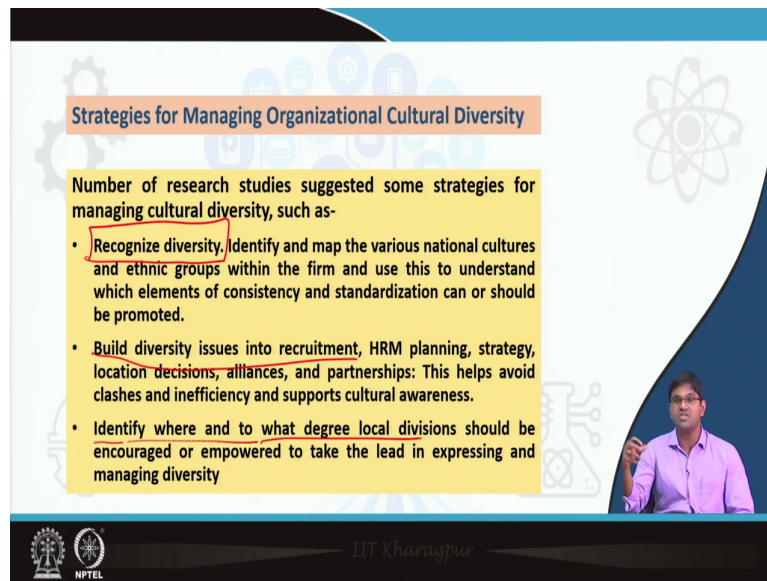
whether very individualistic in nature and here whereas, the collectiveness and parental guidance is highly seen.

Whereas here they promote equality where here they you know concerned about seniority by age they give more respect to people who are higher age and age dependent. Now, comes you know they there are more competition between people then here they look for a cooperation and in the Arab countries they look for a compromise. So, and here in the US they always look for an efficiency right.

So, you know how effectively utilized an increased efficiency here the Japan concerned about quality not about an efficiency, here they talk about devotion because they have a different cultural orientation right. Here they will be very open openness and it is go between kind of a practice and there they promote more of a hospitality and US where they are very aggressive.

Here they are concerned about interpersonal relationship here they promote friendship. If you look at it just trying to understand how these countries are differing on certain values of this you know.

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Strategies for Managing Organizational Cultural Diversity

Number of research studies suggested some strategies for managing cultural diversity, such as-

- **Recognize diversity.** Identify and map the various national cultures and ethnic groups within the firm and use this to understand which elements of consistency and standardization can or should be promoted.
- **Build diversity issues into recruitment, HRM planning, strategy, location decisions, alliances, and partnerships:** This helps avoid clashes and inefficiency and supports cultural awareness.
- **Identify where and to what degree local divisions should be encouraged or empowered to take the lead in expressing and managing diversity**

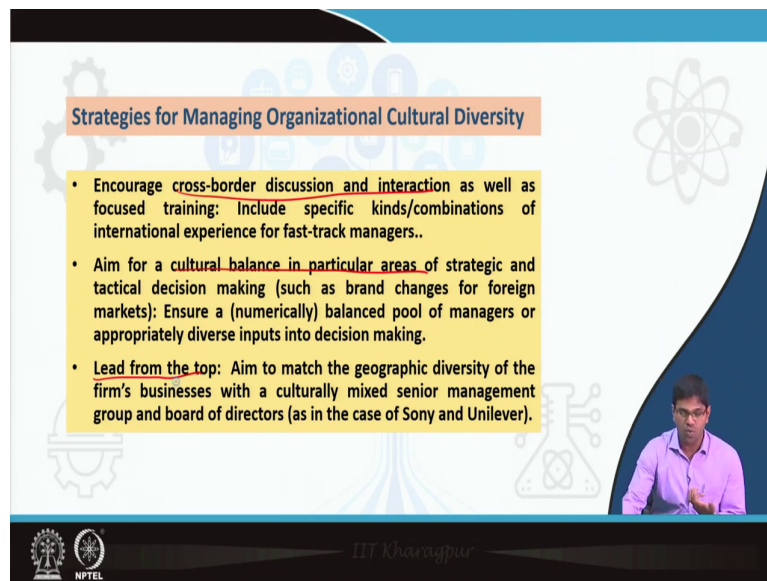
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This gives a more important understanding that you know you have to accept there are differences. Now, how do we manage this cultural diversity? Now, comes recognize the diversity. So, that is a very very basic step a company can do. So, you need to become aware and accept there are you know different cultural diversity exist.

Now, what you have to do on it you know you have to build diversity issues into a recruitment in order to be very sensitive towards during the recruitment process or maybe HRM planning you know hiring, recruiting, training, you know strategy, location decision alliance and all levels you should be you know aware and you know build this you know diversity issues into it because now if you say many companies promote diversity and inclusions.

Identify where and to what degree local division should be encouraged or empowered to do. Because you need to say there are you might create multiple locations you need to say identify and aware ok where and how I can empower these local divisions because I am talking about promoting diversity right.

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Strategies for Managing Organizational Cultural Diversity

- Encourage cross-border discussion and interaction as well as focused training: Include specific kinds/combinations of international experience for fast-track managers..
- Aim for a cultural balance in particular areas of strategic and tactical decision making (such as brand changes for foreign markets): Ensure a (numerically) balanced pool of managers or appropriately diverse inputs into decision making.
- Lead from the top: Aim to match the geographic diversity of the firm's businesses with a culturally mixed senior management group and board of directors (as in the case of Sony and Unilever).

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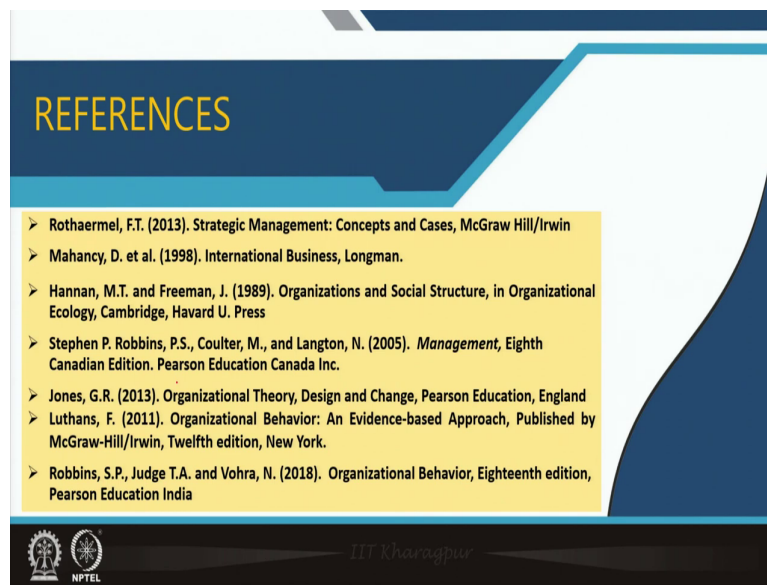
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Then encourage more cross border discussions and interactions and of course, focus on the training as well that is also very important aspect of managing the diversity. Then aim for cultural balance in particular areas of strategic tactical decisions you know because you know to be very careful about ok.

So, how do you know have a balance of a cultural representations also very critical in way of managing the diversity. And of course, you have to lead from the top aim to match the geographic diversity of the firm's business with a culturally mixed senior management group

and board of directors. That is very important when you have a you know culturally mixed and diverse group with the top management and they will resonate and then respect this diversity and then they promote this diversity ok.

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So, with this we are concluding this lecture on a module. In today's lecture we primarily you know try to move away from just focusing on organizational culture to a larger picture of understanding the organizational level culture. Now, country level culture where we are trying to understand how countries are different on their cultural orientations, how do we accept that you know country differences in cultural orientations as an impact on implication for the business?

So, how business firms have to you know modify or you know looking for a more synergy in integrating this cultural differences. And when a company wants to operate in different

country, so, how do you become aware, how do you manage this diversity. So, how do you see that there can be a synthesis and synergetic effect happening in a organizational culture.

That is what we looked at it and we created more awareness about understanding countries when a business operates in different country they should become aware about the local culture. So, with this we are completing this module and we will see you in the next module.

Thank you.