

Managing People Across the Cultural Divide

Lynn Imai

Assistant Professor of Organizational Behaviour

Richard Ivey School of Business, University of Western Ontario

OVERVIEW

An eminent organizational scholar recently observed: “Ample evidence shows that cultures of the world are getting more and more interconnected and that the business world is becoming increasingly global. As economic borders come down, cultural barriers will most likely go up and present new challenges and opportunities for business. When cultures come in contact, they may converge in some aspects, but their idiosyncrasies will likely amplify.”¹

Indeed, managing cultural differences—i.e., managing differences in groups’ shared values, beliefs, meaning systems², patterned ways of thinking³, unstated ways of doing things⁴ etc.—is a critical skill for managers working in today’s global business setting. This human side to managing across cultures is just as important as the technical aspect, and if not understood and managed well, cultural differences can pose significant barriers to the implementation of a business venture—and ultimately its performance.

The three accompanying cases illustrate the hidden yet pervasive nature of culture’s influence on attitudes and behaviours in the workplace, allow readers to familiarize themselves with common management problems that arise when people interact interculturally, and challenge readers to critically examine, analyze, and solve problems when managing across the cultural divide.

China-Canada Lean Swine Project—Changing Local Habits

Agriteam Canada is a for-profit international development consultancy that has a contract to manage the “China-Canada Lean Swine Project,” a collaboration between the Chinese and Canadian governments to help China develop its lean swine industry through the transference of Canadian expertise on lean swine genetics, technology, and feeding programs. The enterprise development specialist at Agriteam must increase business development at the Xiangzhou feed mill in China that is being used as a test base for the Project. A key challenge facing him is how to bring about a profound turnaround in the Chinese feed mill managers’ attitudes and behaviors, from those deeply rooted in China’s legacy of state planning to those in line with a market driven enterprise. He must decide on four alternatives: enforcing management training, changing the compensation system, learning from other feed mills, or restructuring the organization—and develop an action plan accordingly. In doing so, the cultural, political, and business environments in which the feed mill managers operate must be taken into account.

Privatization of the Tiger Leaping Guest House in Nanjing, PRC

The Liang family left China in 1949 under the pressure of the Communist Party and settled in Taiwan to continue their hospitality business, only to return two generations later to repurchase the family guesthouse they left behind—now significantly run down as a state-owned enterprise. With the intention of redeveloping the guesthouse, the family is confronted with the challenge of determining how to convert existing human resources trained under the planned economy into those operating in the market economy while remaining culturally sensitive and avoiding a cultural collision. They must consider how employees should be trained as well as how to attract new employees and what characteristics they should have. The case also allows readers to explore how systems and theories of human resource management are deeply rooted in specific cultural, political, and historical contexts.

Development of a Multinational Personnel Selection System

ComInTec is a leading global industrial company with offices in Central, Eastern, and Western Europe, the Asia-Pacific (APAC) region, Central and South America, and North America. As global restructuring takes place within the company, the HR executive must lead a multinational project team (of Germans and Chinese members) to standardize its personnel selection methods in the APAC region for staffing new middle manager positions. Conflicting goals confront the HR executive: design a personnel selection system that is valid across different countries, yet adapted for each country taking into consideration the country's unique economic, educational, and cultural contexts. The HR executive must also lead across cultural differences in work behaviours that arise within his multinational team.

¹ House, R.J. (2004). Introduction. In R. House, P. Hanges, M. Javidan, P. Dorfman, and V. Gupta (Eds.), *Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies* (pp.1). Thousand Oaks, CA: Sage.

² Kluckhohn, C. (1954). Culture and behavior. In G. Lindzey (Ed.), *Handbook of Social Psychology Vol. 2* (pp. 931-976). Cambridge, MA: Addison-Wesley.

³ Shweder, R., & LeVine, R. (1984). *Culture theory: Essays on mind, self, and emotion*. London: Cambridge University Press.

⁴ Triandis, H.C. (1994). *Culture and social behavior*. New York: McGraw-Hill.