

“International Organizational Behavior”.

: The Management Of International Organizational Behavior

Topic Objective:

At the end of the lesson the students will be able to:

- Define international organizational behavior.
- Understand why it is important to study international organizational behavior.
- Compare industrialization and culture as explanations for international organizational behavior.
- Know the role of theory in the study of international organizational behavior.
- Explain the benefits of the comparative perspective for studying international organizational behavior.

Definition/Overview:

International organizational behavior describes and explains behavior in organizations located in diverse national cultures. It differs from traditional organizational behavior as developed in the United States because it adds the dimension of culture as an explanation.

Three reasons for studying international organizational behavior are to gain competitive advantage, to improve understanding of behavior in organizations and modern society, and to appreciate other cultures.

Organizational and national cultures influence organizational behavior. Multiple cultures, including those based on ethnic identity, religion, and social class, effect behavior in organizations. However, there are limits to the use of culture as an explanation for organizational behavior. Technology, the organization's competitive environment, strategy, and size also account for organizational structure and behavior.

An objective of the study of international organizational behavior is to develop theories of behavior. Normative theory focuses on ways that organizations should operate and how people ought to behave. Descriptive theory attempts to objectively describe and analyze behavior without making judgments or prescriptions.

Ethnocentrism and culture shock can influence one's view of another culture, often negatively. Self-awareness in analyzing another culture reduces bias created by these processes. The comparative study of organizational behavior is an approach to describe and compare organizational behavior across multiple cultures. It is a systematic method for reducing the entry of cultural values into the study of international organizational behavior. The comparative method often results in challenges to the implicit superiority of the investigator's own culture and social arrangements. Also, comparisons often result in unexpected findings. For example, Gullien's research concluded that industrial countries use different management philosophies and practices, not necessarily based on scientific reasons, but because of cultural factors such as religion.

While the process of globalization--particularly an increased awareness of other cultures--has progressed in various ways, the McDonaldization of culture into a homogenous world culture has not occurred. Studies indicate that cultural differences persist even as industrialization, modernization and globalization proceed. Research documents that values change but that distinctive cultural characteristics persist and influence organizational behavior and management

Finally, although much global organizational behavior research is comparative, additional research using systematic comparisons, especially studies of developing nations, will provide data for more comprehensive theories. In addition, these studies will contribute to understanding whether and how cultures and organizations in them are becoming more alike or different. This has implications for the management of international organizational behavior.

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Key Points:**1. International Organizational Behavior**

International organizational behavior is the study of behavior in organizations around the world. It is important because there is substantial evidence that despite trends toward globalization, many cultures remain distinctive and it is important to know how culture affects organizational behavior.

2. International Organizational Behavior to be taught in Schools

As business activity increases throughout the world there is more need to understand the behavior of other cultures. This is true whether a business school student is located in a developing country or an advance country. To effectively manage across cultures, students have to become more familiar with other cultures and their own.

Another set of reasons for studying international organizational behavior is that it provides a competitive advantage, evaluate prospects for collaboration with other companies, and borrow ideas from other cultures.

3. Role of research on organizations United States Vs. other cultures

The most extensive research on organizations and organizational behavior has occurred in the United States. As a result it forms the most influential body of scientific studies of the way people act in formal business settings. Consequently it has affected the way that research is conducted throughout the world and, to a large extent, is the dominant model of management and organizational behavior even in countries with cultures significantly different than the United States.

4. Theory important for the study of international organizational behaviour

Social science theory attempts to explain patterns of behavior. Without theory only isolated facts exist those have no particular meaning. A good theory not only explains observations but suggests practical actions that managers can implement.

5. The comparative method

The comparative method is a technique for the systematic study of behavior in multiple cultures which reduces reliance on a single set of values.

6. Issue beneficial to the approach of international management and organizational behavior

There are many contemporary examples of emerging issues in international management and organizational behavior. One interesting issue that has yet to fully unfold is the attempt in formerly communist countries to privatize industry. It would be useful to study privatization from a comparative perspective to know how it affects management and organizational behavior in various countries. Does privatization have the same effect on workers in Russia as in Poland? If not, why not? Does behavior in these countries now resemble that in capitalist countries?

7. Globalization and organizations

There has been an enormous amount of speculation that organizations are becoming increasingly similar in response to globalization. However, the reality is more complex and uncertain. Organizations do not gravitate toward a supposedly universal model of economic success and organizational form as they attempt to cope with globalization. Rather, the mutual awareness that globalization entails invites them to be different, namely, to use their unique economic, political and social advantages as leverage in the global marketplace.

: Culture And Organizational Behavior

Topic Objective:

At the end of the lesson the students will be able to:

- Understand what culture is and the levels of culture
- Explain how culture is learned
- Understand the major frameworks for explaining the cultures of different societies.
- Discuss the importance of culture for understanding and managing organizational behavior.
- Discuss implications of the debate over cultural convergence versus divergence.

Definition/Overview:

There are many definitions of culture, but a useful and comprehensive one is "the way of life of a group of people." The levels of culture range from manifest to expressed values to basic assumptions. Understanding the deeper, less apparent levels produces a more profound understanding of a culture. Culture is learned through enculturation as well as through primary and secondary socialization.

Cultural frameworks classify national cultures. The frameworks of Kluckhohn and Strodtbeck, Hofstede, the Chinese Value Survey, Schwartz, Trompenaars, and Hall, provide an initial understanding of different cultures by identifying important variables that explain behavior. Ronen and Shenkars country clusters and the global map of the World Values Survey indicate similarities among countries based on geography, language, religion, and economic development. Gannon uses the metaphor to give a more in-depth understanding of different cultures. Finally, Brown's human universals identify behaviors common to all societies, instead of how values differ across societies.

Organizational behavior theories developed in the United States may not apply elsewhere because of cultural differences. The debate over cultural convergence and divergence shows simultaneous trends in both directions.

The world is becoming increasingly more interdependent and better connected through improved communications technology, allowing managers access to more people and organizations. The implication for managers is that understanding diverse cultures as they affect organizational behavior is a critical management skill.

Key Points:

1. Culture and its Significance in organizational behavior

Culture is a way of life of a group of people. It can also be defined as that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society or as everything that people have, think, and do as members of society.

It is useful in studying international organizational behavior because it can provide a starting point for understanding differences among people who have different cultural backgrounds. These cultural differences affect all aspects of organizational behavior.

2. Sathes three levels of culture

The definitions of all three levels:

The manifest culture contains easily observable elements such as behaviors, language, music, food, and technology. The manifest culture represents the first contact with a new culture, for

example, peoples speech, dress, interactions with each other, and possessions. For the United States, examples are people wearing casual dress, using American English with heavy slang, and interacting, even with strangers, on what appears to be an informal and somewhat personal level.

The expressed values level represents how people in the culture explain the manifest level. In other words, it is the cultures own explanation of itself. The expressed values level provides additional insight into a culture beyond the manifest level, but some aspects remain unclear. For example, in the United States people wear casual dress because it is comfortable, considered appropriate for most social situations, and also is a way of minimizing power distance.

The basic assumptions are the foundations of the culture: shared ideas and beliefs about the world and society as a whole that guide peoples thoughts and actions. Knowing the basic assumptions of a culture provides insight into the principles on which the other levels rest. For example, in the United States people wear casual dress as an expression of the general informality of the culture. Dress also allows each person to express his or her individuality in the choice of clothes worn. Finally, the wearing of casual dress by people from all kinds of backgrounds represents the low power distance value.

3. Our culture and socialization process

This can be described by his or her socialization beginning from early learning from family, friends, caretaker, and/or religious institute. Later in life, school and other organizations (such as sports or social clubs) might have some influence. Finally, when a person begins to work, the organizations socialization process will influence him or her.

The impact in later life is usually on the development of behaviors and values appropriate for the individual. Someone who was exposed to unusual hardship or to strong influence from someone

outside his or her own culture may behave and have values different from other members of his or her culture.

4. Contrasting Two Hofstede's dimensions of cultural values

The scores on two cultures can be given by selecting on Hofstede's dimensions for each and then explain why the two cultures may find it difficult to do business. An example for the U.S. and Mexico:

	<i>Ind/Coll</i>	<i>PD</i>	UA	Masc/Fem
U.S.	Ind	Small	Weak	Masc
Mexico	Coll	Large	Strong	Masc

The U.S. and Mexico vary on three of the four cultural dimensions. Potential problems that might arise include individual vs. group orientation, differences in viewing status, authority, and power relationships, and degree of need for and reliance on rules and regulations.

5. Hofstede and the results of the CVS

Since the researchers who developed the Chinese Value Survey (CVS) used a series of questions based on the Chinese value system, they were able to investigate areas that were not covered by Hofstede's survey. The CVS confirmed some of Hofstede's dimensions but also had a new dimension representing Confucian values which Hofstede later adopted into his framework and called long-term versus short-term orientation.

6. Comparison of the cultural frameworks

A chart can be taken or discussed in narrative some of the similarities and differences among the frameworks. For example, the individual versus group aspect is included in the Kluckhohn and Strodtbeck, Hofstede, CVS, Schwartz, and Trompenaars frameworks. Hierarchical difference among people is included in Kluckhohn and Strodtbeck, Hofstede, CVS, and Schwartz frameworks, but there are some differences in the way that the concept is treated by each.

7. Understanding culture can help becoming a better manager

Because of increasing interdependence, managers in every country must be global in their thinking. Even in a large market such as the United States that has so many of its own producers, the large majority of products face foreign competition at home. Whatever product or market, global competition is a reality.

An organizations stakeholders could be from any culture. Customers, competitors, suppliers, shareholders, or employees may be from another country. Worldwide, there are also increasing numbers of immigrant and guest workers who bring their own cultures to their new homes. Learning how to integrate them into the existing workforce is essential. Consequently, a manager must understand the organizations stakeholders in order to serve them better and to make the organization more successful.

Even acts that appear similar on the surface may in fact have different meanings for different cultures. Realizing the importance of these cultural differences helps a manager to understand his or her international partners and ultimately to be a better manager.

8. Cultures are becoming more similar or more dissimilar

As communication technologies advance and countries become more closely linked through trade, information about other cultures becomes more available. Products are sold worldwide and in some cases marketed in the same way everywhere. Because of this, some might say that cultures are becoming more alike and that the study of culture is therefore irrelevant. At some levels, there may be a certain truth to the idea of cultural convergence. For example, in virtually any country, you can find someone eating a McDonalds hamburger while sitting in a Honda filled with Shell gasoline. Christmas, a Christian holiday, is celebrated around the world.

However, a closer look at what seem to be cultural universals reveals many differences. Having a McDonalds hamburger in Moscow or Beijing is somewhat trendy, and the cost is well above average; in Washington, D.C., eating a McDonalds meal is considered merely convenient and cheap. Christmas for the Italians is a family holiday with religious meaning. In Hong Kong, it is an occasion for fun among friends, time off from work, commercial decorations, and no family obligations. Looking below the surface, cultures attach different meanings to what appear to be the same acts.

On another level, the effects of cultural differences can be clearly seen. Ethnic conflicts continue to flare around the world. These conflicts are often the result of attempts to maintain distinct cultural identities. In many cases, the interventions of the United Nations or other countries not involved in the conflict do little to settle the violence. Although there is a World Trade Organization (WTO), trade disputes continue. In many cases, arguments over trade reflect the cultural differences of the countries involved.

: Ethics And Social Responsibility

Topic Objective:

At the end of the lesson the students will be able to:

- Define ethics and understand the importance of ethical behavior
- Discuss perspectives and arguments for ethical relativism and universalism.
- Understand corporate social responsibility
- Know how ethics affect individual behavior in organizations
- Consider ways of scientifically studying organizational ethics
- Know methods for resolving cross-cultural ethical conflicts
- Analyze ethics and its affects on management and organizational behavior

Definition/Overview:

Ethics are intimately connected to culture. Ethics translate abstract cultural values into rules governing everyday interactions. Ethical issues are important when there is conflict over what is proper conduct.

Four perspectives help us understand ethics: the descriptive, conceptual, normative, and practical. Ethical relativism and universalism are also important issues. Cultural relativism is the position that ethics vary with a specific culture. Universalism is the position that there are identifiable common ethics across cultures. Most philosophers argue for universalism as do influential theories such as Kohlberg's moral development theory.

At the level of the organization three prominent theories are the efficiency perspective, the stakeholder perspective, and the group social responsibility perspective. The efficiency perspective argues that managers only ethical responsibility is to satisfy corporate stockholders. The social responsibility perspective suggests considering various stakeholders of a firm in decision making. Finally, the concept of face--found primarily in Asian cultures--is an ethic of individual responsibility to and for the group that incorporates situational elements.

Cross-cultural studies indicate that ethics and the management of ethics vary in different cultures. Transforming ethics into laws or developing international corporate ethical codes are two ways to regulate organizational ethics across cultures. Managers can handle cross-cultural ethical conflicts through avoidance, forcing, education-persuasion, infiltration, negotiation-compromise, accommodation, and collaboration-problem solving.

In addition to enforcement through the FCPA and the OECD, the creation of international monitoring organizations such as Transparency International has brought the issue of corruption to the attention of considerably more people throughout the world. However, publication of corruption perceptions may not significantly reduce corruption because in some cultures what others view as corrupt is simply the way that people conduct business.

Ethical corporate behavior is a competitive advantage. This is particularly true during periods of ethical lapses by major corporations when even routine adherence to ethical standards appears to be exemplary.

Human resource practices can create and sustain ethical capability through transformational leadership, enhancing organizational learning, and implementing specific human resource practices.

Finally, there are various forces creating worldwide convergence of organizational ethics such as bureaucratization, professionalization, and the resurgence of Capitalism. Forces for maintaining different ethical standards include religion, culture, economic systems, and varying stages of societal development. Managers can prepare for cross-cultural ethical issues by understanding the societies in which they do business.

Key Points:**1. Ethics**

Ethics are moral standards, not governed by law, that focus on the human consequences of actions. Ethics often require behavior that meets higher standards than established by law, including selfless behavior rather than calculated action intended to produce a tangible benefit.

2. Difference between ethics and Law

Ethics differ from laws because they are complied with voluntarily. That is, although society establishes ethics through tradition, custom, values and norms, it does not create formal sanctions for not following ethical standards. However, society can enforce ethics through informal means—for example, by not shopping at a store that engages in unethical practices.

Law differs from ethics because it is codified and punishments for its violation are stated and formally sanctioned through a judicial system.

3. Role of culture and societal values in ethics

Ethics are a product of culture and social values. They reflect the way that interaction among the people of a society has found to be appropriate over many years of joint action. In large measure, ethics are the cultural and social values of a society.

4. Ethics in business situations relative or absolute

Whether ethics in business situations are relative or absolute is a choice that either individuals or corporations make. The basic issue concerning ethics is that, unlike law, individual and corporate

judgments are involved in determining what is ethical. In addition, there are many areas of ethics that are unclear and can be decided on a case by case basis.

5. The stakeholder view of corporate social responsibility

The efficiency perspective of corporate social responsibility argues that the obligation of business is to maximize profits for shareholders. The corporate responsibility perspective argues that corporations have stakeholders beyond the shareholders. Stakeholders include: suppliers, customers, employees, stockholders, the community, and management.

The primary difference is that the social responsibility view expects corporations to have more obligations to external constituencies than the efficiency perspective.

6. The concept of face apply to behavior

Face, according to Goffman, is "the positive social value a person effectively claims for himself by the line others assume he has taken during a particular contact." Put another way, face is a representation by an individual that what they say they are is genuine.

Using this definition, instead of the definition of face restricted to Asian cultures, face applies to behavior in most organizations.

7. Ethics creates conflict

Ethics create conflict because of differences in values among different societies. For example, the values and ethics of one society may pose no objection to child labor while not only the values and ethics of another society, but also the law, may view child labor as morally wrong.

8. Education a useful approach to resolving a cross-cultural ethical conflict

Education is a useful approach to resolving cross-cultural ethical conflict when there is ability to influence a situation--getting those with different views to sit and listen--and the time to educate others in the opposing view.

9. Ethical behavior a competitive tool

An emerging perspective on ethics in multinational business is that ethical behavior provides a competitive advantage. This is because it provides the business an ability to identify and respond effectively to ethical issues in a global context

10. Ethics and social responsibility across cultures

The prospects for ethical convergence or divergence should be assessed. To a large extent, the answer depends on whether students expect Western or Eastern/Developed or Developing ethical standards to prevail in the future. It is possible that some combination will emerge in the future with an organization--either quasi-governmental or confederation of professional associations--setting and monitoring ethics.

11. The role of ethics in multi-national organizations

As part of more comprehensive compliance and ethics programs, many companies have formulated internal policies pertaining to the ethical conduct of employees. These policies can be simple exhortations in broad, highly-generalized language (typically called a corporate ethics statement), or they can be more detailed policies, containing specific behavioral requirements (typically called corporate ethics codes). They are generally meant to identify the company's expectations of workers and to offer guidance on handling some of the more common ethical problems that might arise in the course of doing business. It is hoped that having such a policy

will lead to greater ethical awareness, consistency in application, and the avoidance of ethical disasters.

An increasing number of companies also requires employees to attend seminars regarding business conduct, which often include discussion of the company's policies, specific case studies, and legal requirements. Some companies even require their employees to sign agreements stating that they will abide by the company's rules of conduct.

Many companies are assessing the environmental factors that can lead employees to engage in unethical conduct.

Not everyone supports corporate policies that govern ethical conduct. Some claim that ethical problems are better dealt with by depending upon employees to use their own judgment.

Others believe that corporate ethics policies are primarily rooted in utilitarian concerns, and that they are mainly to limit the company's legal liability, or to curry public favor by giving the appearance of being a good corporate citizen. Ideally, the company will avoid a lawsuit because its employees will follow the rules. Should a lawsuit occur, the company can claim that the problem would not have arisen if the employee had only followed the code properly.

Sometimes there is disconnection between the company's code of ethics and the company's actual practices. Thus, whether or not such conduct is explicitly sanctioned by management, at worst, this makes the policy duplicitous, and, at best, it is merely a marketing tool.

To be successful, most ethicists would suggest that an ethics policy should be:

- Given the unequivocal support of top management, by both word and example
- Explained in writing and orally, with periodic reinforcement
- Doable....something employees can both understand and perform
- Monitored by top management, with routine inspections for compliance and improvement
- Backed up by clearly stated consequences in the case of disobedience
- Remain neutral and nonsexist

▸ In Section 2 of this course you will cover these topics:

- Communication
- Negotiation And Conflict Resolution
- Groups And Teams

▸ You may take as much time as you want to complete the topic covered in section 2. There is no time limit to finish any Section, However you must finish All Sections before semester end date.

▸ If you want to continue remaining courses later, you may save the course and leave. You can continue later as per your convenience and this course will be available in your area to save and continue later

: Communication

Topic Objective:

At the end of the lesson the students will be able to:

- Explain the basic communication process and define cross-cultural communication.
- Understand how language affects communication and how different cultures use the four styles of verbal communication.
- Discuss various types of nonverbal communication
- Identify major barriers to communicating cross-culturally
- Consider the advantages and disadvantages of virtual cross-cultural communication.
- Enhance your cross-cultural communication skills.

Definition/Overview:

A variety of factors influence communication across cultures. The basic communication process of encoding and decoding is at the core of communication. Noise affects all aspects of communication and is a recurrent issue in effective communication. Also important are differences in language usage, verbal style, and nonverbal communication in different cultures. These differences represent major barriers to effective cross-cultural communication. Other barriers include culture, perception, and experience. As communication technology, particularly use of the Internet increases, there will be greater use of virtual communication, which provides both advantages and disadvantages over traditional forms. To enhance intercultural communication, it is important to understand other cultures and become sensitive to differences.

Another issue for managers to consider is whether approaches to communication are converging or diverging worldwide. Improved communication technology and widespread use of English, particularly in business situations, represent forces for convergence. Yet, the large number of languages spoken worldwide and the pervasive effects of culture on communication, even when using the same language, are strong forces for divergence.

Finally, because communication represents such an important part of a manager's job, an understanding of cross-cultural communication can lead to more effective management of international organizational behavior. By studying other languages and cultures and learning

more about their communication partners, managers can become effective cross-cultural communicators.

Key Points:

1. The basic communication model

In the first step, thought, the different backgrounds of the two communicators may predispose them to focusing on different issues or to thinking about issues in different ways, i.e., they do not think alike.

In the encoding step, the different backgrounds of the two may lead them to using different languages or vocabulary, different verbal styles, and/or different nonverbal.

The transmission step may also produce some differences. For example, one communicator may prefer to have face-to-face discussion while the other might prefer phone or e-mail.

The receiving step may be influenced by the reliability of the systems to transmit the message, which is to some extent influenced by culture. For example, a message sent by mail might be received faster if both the sending and receiving postal services were efficient. If time and efficiency are not important values in a culture, this might delay receipt of the message.

The decoding step could be heavily influenced by culture, as interpretation of the message is dependent on language, verbal style, and non-verbal.

Finally, the understanding step is dependent on the receiver being able to interpret the message within the cultural context in which it was sent.

2. Experiences in communicating with individuals from another culture

Often these are related to differences in language but could also be related to nonverbal or verbal style differences.

The main theories for cross-cultural communication are based on the work done looking at value differences between different cultures, especially the works of Edward T. Hall, Richard D. Lewis, Geert Hofstede, and Fons Trompenaars. Clifford Geertz was also a contributor to this field. Also Jussi V. Koivisto's model on cultural crossing in internationally operating organisations elaborates from this base of research.

These theories have been applied to a variety of different communication theories and settings, including general business and management (Fons Trompenaars and Charles Hampden-Turner) and marketing (Marieke de Mooij, Stephan Dahl). There have also been several successful educational projects which concentrate on the practical applications of these theories in cross-cultural situations.

These theories have also been criticised mainly by management scholars (e.g. Nigel Holden) for being based on the culture concept derived from 19th century cultural anthropology and emphasising on culture-as-difference and culture-as-essence. Another criticism has been the uncritical way Hofstedes dimensions are served up in textbooks as facts. There is a move to focus on 'cross-cultural interdependence' instead of the traditional views of comparative differences and similarities between cultures. Cross-cultural management is increasingly seen as a form of knowledge management.

3. Variation of the four verbal styles

Here are some examples in English:

3.1. Direct: Your work is not up to standard.

Indirect: Its possible that if we all try a little harder that we will do better.

3.2. Elaborate: The workmanship in this product is just exquisite. It is like a work of art, a true museum piece, the work of a master artist. This product is so beautiful; everyone must have one, and they will cherish it forever; it will become a family heirloom.

3.3. Personal: Ive been buying from your company for a long time now. You really should give me a good deal.

Contextual: Your role as supplier to our company has continued for a long time now.

We rely on our continued relationship.

3.4. Instrumental: I have come to tell you how I became a successful business executive.

Affective: You have asked me to share some of my experiences as a business executive.

4. Examples of non-verbals from different cultures

Here are some examples from the United States:

Kinesics	Communication through body movements, including facial expression, gestures, and posture	Arms folded in front of the chest often indicates a closed attitude. The person could be unwilling to communicate, hiding something, defensive, or angry.
Oculesics	Communication through eye contact and gaze	Maintaining eye contact indicates interest in and attention to the conversation.
Haptics	Communication through the use of bodily contact	A warm firm handshake indicates a professional business greeting.
Proxemics	Communication through the use of space	Standing close to someone indicates liking or intimacy.
Chronemics	Communication through use of time within a culture	Arriving on time for an appointment is appropriate and indicates respect for the other party and an interest in the meeting.
Chromatics	Communication through the use of colors	Wearing black or other dark or muted clothing is appropriate to indicate sympathy and respect at a funeral.

5. Stereotype advantages and Disadvantages

Some people from outside the United States believe that Americans are superficial. This stereotype could be a barrier because someone who believes it might limit what he or she says to an American or perhaps feel that Americans could not be trusted. Within the communication process, this can influence the types of ideas that the non-American sends, the encoding of these ideas, and perhaps the transmission method. During feedback, it can also influence the way this person decodes and understands the meaning of the message from the American.

6. Communication Easier through Internet and e-mail

Reasons to Agree	Reasons to Disagree
Communication is fast, even instantaneous.	Access is dependent on having the right technology.
Cost may be lower than letter, fax, or in-person visit.	Language could be a barrier since most communication is done in English.
Access to information is increased.	Reliability of information is unknown.
Messages are informal.	Speed of message depends on when receiver accesses it.
Censorship is limited.	Informality of language may be a barrier to real understanding.

: Negotiation And Conflict Resolution

Topic Objective:

At the end of the lesson the students will be able to:

- Define negotiation and understand the basic negotiation process
- Explain how culture influences the negotiation process
- Consider the impact of situational factors and negotiating tactics on negotiation outcomes
- Analyze the differences between intra-cultural and cross-cultural negotiations.

- Discuss the role of culture in the conflict resolution process
- Appreciate how approaches to conflict influence negotiation
- Identify ways to become a more effective cross-cultural negotiator

Definition/Overview:

The basic negotiation process includes five steps: (1) preparation, (2) relationship building, (3) information exchange, (4) persuasion, and (5) agreement. Culture influences every step of this process as well as priorities, interests, strategies, situational factors, and negotiating tactics, both verbal and nonverbal. Location, room arrangements, choice of negotiators, and time limits can impact the final outcome for both parties. In comparing intra-cultural and cross-cultural negotiations, there is some evidence that people may behave differently depending on their negotiating partner. However, the nature of these differences is not clear.

High- and low-context cultures approach and manage conflict differently. Differences in conflict resolution style impact the approach to negotiation, but other cultural factors create differences between negotiators who are both from either a high- or low-context culture.

Increasing knowledge of your negotiating partner is a way to become a more effective cross-cultural negotiator. Learn as much as possible about the cultural background of both the people and the organization they represent. Also consider their approach to negotiation and specific concerns such as goals, needs, and interests. A moderate amount of adaptation to the other party's way of negotiating will probably lead to greater effectiveness. The two parties can also make their differences explicit and choose an appropriate means to negotiate based on each party's familiarity with the other's culture.

Negotiation approaches differ considerably because of culture. However, through greater understanding of these differences and by following suggestions for improving cross-cultural negotiations, there may be greater convergence in the future. Because international managers

spend such a large amount of time negotiating, it is important to understand the negotiation process and how culture influences it.

Key Points:

1. The negotiation process

Example for the United States and Japan:

	United States	Japan
Preparation	Because of time pressures and cost/benefit concerns, preparation time may be limited and only what was considered absolutely necessary would be prepared.	Preparation would be thorough in order to be ready for any eventuality. Inadequate preparation could cause a loss of face.
Relationship Building	An introduction including names, positions, and a little bit about the company would be considered adequate.	This stage is the most important in the process. A long time, perhaps days, would be spent getting to know the other party. This stage might include dinners, going to bars or nightclubs, or sightseeing.
Information Exchange	Americans expect each party to present relevant information followed by a logical discussion based on	Japanese may want to move around more within the discussion. They do not want to have each item defined too

	persuasion.	precisely.
Persuasion	Americans will attempt to highlight the strong points of their proposal by showing the potential benefit to the other party. This is done using a rational point-by-point argument and generally considers only the outcome of the current negotiation.	The buyer is king in Japanese negotiations. Concern will be on building a long-term relationship and on looking at the negotiation as part of this larger whole.
Agreement	Americans want a legal contract spelling out all the details and contingencies. They like to agree on points in a logical order one at a time.	Japanese prefer more general understanding of the final agreement allowing general flexibility. They prefer to look at the agreement as a whole rather than on a point-by-point basis.

2. Cultural characteristics influence on strategies negotiation

The following table in the text illustrates some of the major cultural influences on negotiation strategy:

Culture and Negotiation Strategy

Cultural Characteristic	Typical Behaviors
Individualistic	<p>Sets high person goals</p> <p>Rejects acceptable but suboptimal agreements</p> <p>Has high self-interest, little concern for other parties' interests</p>
Collectivistic	<p>Cooperative with in-group members, willing to search for mutually satisfying agreement</p> <p>With out-group members, may be more competitive</p>
Egalitarian	<p>Refers to BATNA and other sources of power infrequently if negotiation is moving towards agreement</p> <p>Prefers to focus on issues, sharing information on priorities and interests, noting similarities and differences</p>
Hierarchical	<p>More likely to accept and use all types of powerstatus, BATNA, persuasion</p>
Low-context	<p>Prefers direct information sharing</p>
High-context	<p>Prefers indirect information sharing</p>

3. Negotiating factors to maximize your potential result

It is important to understand the expected cultural behavior of your counterpart. The following factors may help you to maximize potential results:

- Holding the negotiation at home, rather than in your counterparts home

- Starting with more extreme initial offer
- Sitting at a round table
- Having a larger negotiation team
- Allowing adequate time for the negotiation
- Asking more questions
- Making fewer commitments before the final agreement stage

4. Influence of high or low context culture

The following table outlines the information needed

Conflict Characteristics of Low- and High-Context Cultures

Key Questions	Low-Context Conflict	High-Context Conflict
Why	analytic, linear logic; instrumental-oriented; dichotomy between conflict and conflict parties	synthetic, spiral logic; expressive-oriented; integration of conflict and conflict parties
When	individualistic-oriented; low collective normative expectations; violations of individual expectations create conflict potentials	group-oriented; high collective normative expectations; violations of collective expectations create conflict potentials
What	revelment; direct, confrontational attitude; action and solution-oriented	concealment; indirect, nonconfrontational attitude; face and relationship- oriented

How	explicit communication codes; line-logic style: rational- factual rhetoric; open, direct strategies	implicit communication codes; point-logic style: intuitive-affective rhetoric; ambiguous, indirect strategies
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5. Differences in other cultures approach to negotiation

In comparing the United States and Japan, the differences outlined in the answer to discussion question 1 would be present. The long-term versus short-term perspective would be challenging, as would the basic communication differences. The Japanese emphasis on the collective and harmony would clash with the American individualistic outlook, which is direct and confrontational. By gaining greater understanding of the approach that the other side is taking and trying to acknowledge some of the differences, perhaps an approach could be found that each side would find more comfortable.

6. Cross-cultural negotiations

These are some of the recommendations given in the chapter. Students can select and explain which they think would be useful.

- Understand your negotiating partner
- Consider the specifics of your situation
- Consider how to handle the actual negotiation

Cross-cultural communication differences as discussed in Chapter 4 are also helpful in preparing for negotiations. Understanding language, verbal style, and nonverbal cultural factors provides further insight into the negotiating partner.

: Groups And Teams

Topic Objective:

At the end of the lesson the students will be able to:

- Define groups and teams
- Understand the elements of group structure
- Know two models of group development
- Discuss group processes including decision making and social loafing
- Explain the differences between groups and teams
- Appreciate the influences of differences in group and team composition on organizational behavior
- Understand obstacles to effective work team functioning and ways to overcome them
- Identify the characteristics of virtual teams
- Know how groups function in different cultures

Definition/Overview:

Groups and teams are an important part of organizations. Whether the values of a culture are individualist or collectivist affects the role of teams in organizations. Groups have different functions in collective cultures than they do in individualistic cultures. For example, in Japan and Israel groups are more important than individuals, but in the United States, individuals are more important than groups. Another important variable is the composition of groups and teams which can be either homogenous or heterogeneous thereby creating different patterns of interaction among members.

Managers need to understand how to diagnose groups and teams to be able to manage and improve their performance. Key elements of group structure are rules, norms, roles, and statuses.

A central role in groups and teams is that of the leader who usually assumes either a task or socio-emotional emphasis. The roles of followers are also important in groups.

Groups develop over time following either a rational linear progression or a punctuated equilibrium model of two distinct and almost unrelated phases. Another aspect of groups and teams is the processes that occur in them including communication, culture formation, social loafing, and decision making. Some cultures view groupthink, a complex social process that affects decision making, as pathology but other cultures think that it is desirable.

Teams differ from groups because they share leadership, have more acceptances of goals, and are more accountable for their actions. An important issue is the composition of teams and groups and whether membership diversity is beneficial for performance. As globalization increases, it is likely that groups will become more multicultural.

It is difficult to modify the traditional behavior and values of a team to create a new organizational environment. Single culture teams and multinational teams experience many similar issues. Creation of successful transnational teams is more complex. Three important issues for selecting team members are the balance of diversity, the size, and leadership of the team.

In addition to becoming multicultural, groups and teams are frequently multinational, that is, they work with members located in different parts of the world. Virtual teams, which are usually but not necessarily geographically dispersed, may also include members from different cultures. Finally, managers have to understand the implications of the power of virtual teams to transform international organizational behavior and management.

Key Points:**1. Characteristics of a group**

Characteristics of a group are (1) size, the number of people in a group; and (2) goals, groups are oriented toward goals to accomplish.

2. Concept of individualism-collectivism

Individualism, a tendency for people to look primarily after their own interests rather than those of others, makes working in groups difficult. Collectivism emphasizes group welfare instead of individual self interests and generally facilitates working as a group member.

3. Meaning and relation of roles and status in groups

Roles are sets of norms that define behavior appropriate for and expected of various positions within a group or organization. Status is the rank of the role in the hierarchy of the group. Status and power are related in many societies because higher rank roles have more power or the ability to expect others to comply with directives.

4. Informal group and its importance to managers

An informal group evolves naturally in an organization frequently without the awareness of management. Informal groups are often based on areas of specialization, frequent contact, common interests, and friendship.

It is important for managers to understand the nature and dynamics of informal groups so that they can determine whether the group helps or hinders the achievement of company objectives and goals. For example, some informal groups may help the company because they create a sense of belonging for employees. In other cases, an informal group may work against company

interests by inducing members to restrict output. A manager should be able to distinguish between these two types and take action based on the diagnosis.

5. The Five Stage perspective or the punctuated equilibrium theory

The answer to this question will vary. Many students recognize the punctuated equilibrium model as relevant to their experience because it suggests that groups waste much time and only perform under pressure. In the United States this is a common experience for students--they study only the night before an exam although considerably more time was available.

6. Techniques to reduce the likelihood of experiencing groupthink

One technique is for the group leader to remove themselves from the decision making process. Although this sounds counterproductive, it is often the case that groupthink occurs because group members want to please a powerful leader. When the leader is not present, members can actually say what they believe, rather than what they think the leader wants them to believe.

Another technique is to use a "detached observer," a person who acts as a process consultant and help the group check the quality of its decision making and points out signs of groupthink.

7. Difference between groups and teams

Groups differ from teams because they have more cohesiveness, more responsibility, and use member talents more effectively.

8. Small groups of highly talented people

It is likely that small groups of highly talented people will emerge and to some extent replace traditional organizations in the areas of finance, high technology, advertising, and other occupational specializations that require a high level of training, creativity and timeliness.

9. Leader of a multi-cultural group

One action is to clearly state the reasons for creation of the multi-cultural group and what its strengths and weaknesses are likely to be. The objective of this is to create a communication devise that permits the identification and resolution of problems among group members as rapidly and effectively as possible.

10. A virtual team

The effectiveness depends on how one can work simultaneously with others yet independently of others. They have to keep in mind the characteristics of a virtual team. Some aspects of a virtual team are that it could be composed of members from one culture and one country and be located in a relatively small geographic area. In a virtual team instead of members being in face-to-face proximity, the members are usually separated by space, ranging from a short distance to the outer limits of cyberspace. In addition, members of a virtual team are connected and communicate through technology such as email, telephone, fax, videoconferencing, groupware, and project management software.

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| <ul style="list-style-type: none">▸ In Section 3 of this course you will cover these topics:<ul style="list-style-type: none">▸ Motivation▸ International Human Resource Management▸ Organizational Commitment, Organizational Justice, And Work And Family Interface |
| <ul style="list-style-type: none">▸ You may take as much time as you want to complete the topic covered in section 3. There is no time limit to finish any Section, However you must finish All Sections before semester end date. |
| <ul style="list-style-type: none">▸ If you want to continue remaining courses later, you may save the course and leave. You can continue later as per your convenience and this course will be available in your area to save and continue later |

: Motivation**Topic Objective:**

At the end of the lesson the students will be able to:

- Define and understand the nature of motivation.
- Explain major content and process theories of motivation and how culture influences their application.
- Discuss how culture influences rewards.
- Explain how the meaning of work in different countries influences motivation.
- Consider ways of developing cross-cultural motivation systems.

Definition/Overview:

Motivation is effort an individual puts into doing something.

To understand motivation in an international context, it is important to learn about American theories and how they might be useful both in the United States and in other countries. Content theories of motivation, such as Maslow's Hierarchy of Needs, Herzberg's Motivation-Hygiene Theory, and McClelland's Needs Theory, describe the factors that cause people to put effort into their work. Although the precise factors suggested by the theories may not be correct across all societies, their basic frameworks serve as a starting point for understanding needs.

The process theories, including Reinforcement Theory, Goal Setting Theory, Expectancy Theory, and Equity Theory, focus on how someone becomes motivated. These theories, which aim at a deeper level of analysis than content theories, appear to be more promising both for the U.S. and other countries. However, cultural variables such as individualism or ascription may limit the applicability of some of the theories.

Because rewards are important in many theories and companies generally see rewards as motivating employees, it is important to select rewards that are culturally appropriate. Examples

of trends in employee rewards and benefits in Asia, Europe, and the United States indicate employers are giving a wide range of rewards to motivate workers.

Research on the meaning of work in different countries provides further understanding of how to motivate people in different cultures. With insight into the meaning of work, managers can improve their understanding of work behaviors and attitudes in different cultures. Because of reliance on U.S. motivational approaches and global corporations desires for consistent worldwide systems, there are trends toward convergence. However, because managers have difficulty applying U.S. models in other cultures, more local approaches to motivation could develop. Managers therefore need to develop flexible motivational systems that can be effective across different cultures.

Key Points:

1. Content theories of applicable outside of the US

Content theories are less applicable outside the United States because the nature of these theories is to specify the particular factors that motivate. Because the theories were developed in the United States, they are based on American culture and do not necessarily apply to other cultures.

2. Developing a motivational system for Mexico

Cultural factors derived from the frameworks presented, information, or other reliable sources can serve as the basis for developing a motivational system. As an example, in developing motivational systems in Mexico, which is masculine in Hofstede's framework, people would probably value money, status, and things. Mexico is also collectivist, so group rather than individual rewards may be preferable. Also, because of the large power distance, rewards need to be given with some concern for status. Rather than rewarding an individual directly, perhaps the reward needs to be given to the group to which he or she belongs with people of higher status receiving proportionally greater amounts.

3. Motivation to work

At lower levels of Maslow's hierarchy of needs, such as Physiological needs, money is a motivator, however it tends to have a motivating effect on staff that lasts only for a short period (in accordance with Herzberg's two-factor model of motivation). At higher levels of the hierarchy, praise, respect, recognition, empowerment and a sense of belonging are far more powerful motivators than money, as both Abraham Maslow's theory of motivation and Douglas McGregor's Theory X and theory Y (pertaining to the theory of leadership) demonstrate.

Maslow has money at the lowest level of the hierarchy and shows other needs are better motivators to staff. McGregor places money in his Theory X category and feels it is a poor motivator. Praise and recognition are placed in the Theory Y category and are considered stronger motivators than money.

- Motivated employees always look for better ways to do a job.
- Motivated employees are more quality oriented.
- Motivated workers are more productive.

The average workplace is about midway between the extremes of high threat and high opportunity. Motivation by threat is a dead-end strategy, and naturally staff are more attracted to the opportunity side of the motivation curve than the threat side. Motivation is a powerful tool in the work environment that can lead to employees working at their most efficient levels of production.

The assumptions of Maslow and Herzberg were challenged by a classic study at Vauxhall Motors' UK manufacturing plant. This introduced the concept of orientation to work and distinguished three main orientations: instrumental (where work is a means to an end), bureaucratic (where work is a source of status, security and immediate reward) and solidaristic (which prioritises group loyalty).

Other theories which expanded and extended those of Maslow and Herzberg included Kurt Lewin's Force Field Theory, Edwin Locke's Goal Theory and Victor Vroom's Expectancy theory. These tend to stress cultural differences and the fact that individuals tend to be motivated by different factors at different times.

According to the system of scientific management developed by Frederick Winslow Taylor, a worker's motivation is solely determined by pay, and therefore management need not consider psychological or social aspects of work. In essence scientific management bases human motivation wholly on extrinsic rewards and discards the idea of intrinsic rewards.

In contrast, David McClelland believed that workers could not be motivated by the mere need for money-- in fact, extrinsic motivation (e.g., money) could extinguish intrinsic motivation such as achievement motivation, though money could be used as an indicator of success for various motives, e.g., keeping score. In keeping with this view, his consulting firm, McBer & Company, had as its first motto "To make everyone productive, happy, and free." For McClelland, satisfaction lay in aligning a person's life with their fundamental motivations.

Elton Mayo found out that the social contacts a worker has at the workplace are very important and that boredom and repetitiveness of tasks lead to reduced motivation. Mayo believed that workers could be motivated by acknowledging their social needs and making them feel important. As a result, employees were given freedom to make decisions on the job and greater attention was paid to informal work groups. Mayo named the model the Hawthorne effect. His model has been judged as placing undue reliance on social contacts at work situations for motivating employees.

4. New approaches to reward systems

Rewards that might be attractive in the future should consider the values of young people in the society and how the culture of the society as a whole is evolving.

A reward, tangible or intangible, is presented after the occurrence of an action (i.e. behavior) with the intent to cause the behavior to occur again. This is done by associating positive meaning to the behavior. Studies show that if the person receives the reward immediately, the effect would be greater, and decreases as duration lengthens. Repetitive action-reward combination can cause the action to become habit. Motivation comes from two things: you, and other people. There is extrinsic motivation, which comes from others, and intrinsic motivation, which comes from within you.

Rewards can also be organized as extrinsic or intrinsic. Extrinsic rewards are external to the person; for example, praise or money. Intrinsic rewards are internal to the person; for example, satisfaction or a feeling of accomplishment.

Some authors distinguish between two forms of intrinsic motivation: one based on enjoyment, the other on obligation. In this context, obligation refers to motivation based on what an individual thinks ought to be done. For instance, a feeling of responsibility for a mission may lead to helping others beyond what is easily observable, rewarded, or fun.

A reinforcer is different from reward, in that reinforcement is intended to create a measured increase in the rate of a desirable behavior following the addition of something to the environment.

5. Motivation and the meaning of work in different countries

Research on the meaning of work provides an important foundation for studying motivation.

Knowing how central work is seen by a culture indicates the value put on work by that society.

When work is more central, we would expect people to be generally more motivated to work. It is interesting that the majority of people in the countries studied by the meaning of work research team said that they would continue to work even if they no longer had a financial need to do so.

Whether a society views work as an entitlement or an obligation also may affect peoples level of motivation. Finally, understanding the most important work goals within a culture directly influences motivation. If an organization provides the opportunity to satisfy important work goals, this should be motivating.

6. Major concerns to design a global system of motivation

Some of the major concerns would be to:

- Make the system relatively consistent across countries for fairness and ease of administration
- Consider how local cultural factors can be entered into the global system
- Assure that the system was able to comply with local laws governing human resource management in every location

: International Human Resource Management

Topic Objective:

At the end of the lesson the students will be able to:

- Define international human resource management (IHRM).
- Understand how corporate strategy influences IHRM.
- Explain the major IHRM functions: recruitment and selection, training and development, performance evaluation, compensation and benefits, and labor relations.
- Discuss additional special concerns of managing expatriate employees.

Definition/Overview:

International human resource management focuses on the management of human resources on a global basis. An organizations corporate strategy on globalization strongly impacts the approach it takes to IHRM. The approach to IHRM in turn influences implementation of the major IHRM functions of recruitment and selection, training and development, performance evaluation, compensation and benefits, and labor relations. Companies taking an ethnocentric approach attempt to impose their home country methods on their subsidiaries. Polycentric or regiocentric approaches follow local practices. Finally, a geocentric or global approach develops practices for worldwide use.

One of the major concerns of IHR managers is managing expatriate employees. Because they must function effectively in a foreign work and living situation, they receive different treatment than other employees. In choosing expatriates, a company must consider both technical and interpersonal abilities. Successful expatriates receive appropriate training to prepare them to live and work abroad. To motivate them in their assignment, compensation and benefits to expatriates must also be attractive. Changes in global mobility suggest that the expatriate experience may change in the future.

In considering whether approaches to IHRM are converging or diverging worldwide, there is evidence of both. Large global corporations prefer consistent worldwide systems and smaller companies usually seek more professional IHRM. However, with the variety of local cultures and laws that exist across subsidiaries, the IHR manager must be ready to adapt.

Finally, since international managers have the ultimate responsibility for managing human resources, they must be aware of the complexities involved. It is also useful to understand IHRM for personal career development.

Key Points:

1. International Human Resource Management Vs. Human Resources

International human resource management is more complex than managing human resources in a single country because there are a much wider variety of issues to be handled. Some of these issues are:

- How can globally consistent policies and practices be developed?
- How can these global policies and practices fit local legal and cultural requirements?
- How can expatriate staff be managed in a fair and equitable manner?

2. Employing an expatriate different from employing a host country national (HCN)

An expatriate is a person who is employed outside his or her home country. Employing an expatriate is different from employing an HCN because the expatriate is being asked to move abroad on behalf of the company. Therefore, the company must provide a reasonable set of benefits as motivation for the expatriate to leave home. These might include a housing allowance, cost of living adjustment, overseas premium, shipping costs, private school tuition for children, and others. In addition, since the expatriate is often unfamiliar with the country where he or she is going to work, the organization must expect the expatriate to take some time to become familiar with the new environment. The organization can facilitate the adjustment process by selecting an expatriate for qualities such as adaptability, flexibility, and willingness of the spouse to go abroad in addition to technical ability. The adjustment process can also be eased by providing cross-cultural training for both the expatriate and his or her family.

3. Overall strategies affect

An organization's overall international business strategy is often followed in setting an international human resource strategy. The IHRM strategy could be ethnocentric, polycentric, regiocentric, or geocentric/global. Other than the overall corporate international business strategy, the IHRM strategy could be influenced by political and legal concerns, level of development in foreign locations, technology, and the nature of the product, organizational life cycle, or cultural differences.

4. The differences in training practices

Some of the cultural differences in training and development practices in different parts of the world are diverse. Examples of how these differences can be explained by the cultural frameworks follow:

4.1. In the United States and Canada, compared to East Asia, Middle East/North Africa, and Latin America, there is greater equality of trainer and trainee roles. This can be explained by power distance. The United States and Canada have small power distance scores compared to the other regions where power distance is large.

4.2. Differences in the analysis and design of programs are related to uncertainty avoidance.

The United States and Canada have weak uncertainty avoidance, and therefore, trainees are willing to take a risk and expose their weaknesses in hopes of getting help. East Asia, Middle East/North Africa, and Latin America have strong uncertainty avoidance so they put greater reliance on expert opinions, therefore expecting the trainer to know what they need.

4.3. In the Middle East, the effect of Islam on behavior is strong. This is reflected in the great respect given to the trainer, the need to schedule prayer time into the training sessions, the attitude that it is improper to speak of others faults, and the need to avoid holding training programs during Ramadan.

4.4. In East Asia, Confucian values will have an impact. There is a need to maintain harmony in the training interactions. The trainer and other trainees must be careful not to make statements or take actions that would cause themselves or others to lose face.

5. Influence of culture performance evaluation process

Culture influences the evaluation process in terms of what people believe to be appropriate feedback and how they accept such feedback. For example, in Mexico, an individual's public image is important, and public criticism of an employee might be justification for leaving. A Mexican employee may be evaluated more on a long-term basis, and factors such as loyalty and aspiration may be weighed more heavily than short-term performance outcomes. In many Asian cultures, direct feedback on performance is usually not given. A more subtle message that is clear to the receiver indicates that performance is acceptable or that something needs to be improved. Assuring that all employees are fairly evaluated is a challenging goal. A company must develop a system that allows all relevant aspects of performance to be assessed within an acceptable cultural context. On a global basis, this usually means developing a consistent worldwide system that allows for some modifications.

6. An international career and working as an expatriate

The preferences about working internationally can be taken into consideration. Often they are influenced by their personality, cultural background, interests, experience, and language abilities. The instructor might use this question to discuss how students could pursue an international career either at home or abroad. This would also be a good time to dispel myths the students might believe about getting an expatriate position. For example, companies usually prefer people to have well developed skills and some experience within the company before sending them abroad.

7. Future trends influencing the employment of expatriates

These are some trends that may change how expatriates are employed in the future:

7.1. Because of the demand for project work, mergers and divestitures, new operations, and restructuring, short-term relocations from six months to a year extended business travel, and cross-border moves that assign an employee to permanent local status may increase.

7.2. The "boundary-less career" concept is becoming more popular. Expatriates value their international assignments because they can develop valuable skills. However, if their own companies do not offer them attractive opportunities for career advancement, they are prepared to change companies to find better prospects

: Organizational Commitment, Organizational Justice, And Work And Family Interface

Topic Objective:

At the end of the lesson the students will be able to:

- Compare the types of organizational commitment and its influences employee work behavior.
- Describe how culture influences commitment.
- Understand the three types of organizational justice and how culture influences each type.

- Explain how perceptions of justice influence organizational behavior.
- Discuss the dynamics of the work and family interface and the impact of culture.
- Consider the role of organizations in helping employees manage work-family interface.

Definition/Overview:

Organizational commitment, organizational justice, and work-family interface are issues that are becoming increasingly important to international managers. Each of these influences important work outcomes, and therefore organizations need to create a work environment that maximizes the positive outcomes related to each. This will help organizations attract and retain the high quality employees needed to compete in the global environment.

The three types of commitment, affective, continuance, and normative, have different antecedents and outcomes. Many of these are the same across cultures, but there are also cultural differences. Power distance, uncertainty avoidance, and individualism/collectivism can influence the levels of the different types of commitment. The Islamic work ethic also can create higher levels of commitment. Research on commitment in Chinese societies suggests that the role of relationships is important and that commitment to the supervisor can affect commitment to the organization.

The three different types of justice, distributive, procedural, and retributive, focus on the fairness of different aspects of the organizational reward system. In judging distributive justice, employees compare their own rewards to those received by others, evaluate their own inputs and those of other employees, and select the basis on which to allocate the rewards. In evaluating procedural justice, employees look at objectivity, clarity, and openness. They also consider having a voice over outcomes as fair. In appraising interactional justice, an aspect of procedural justice, people universally expect respectful, dignified treatment and an opportunity to express their opinions. Finally, in judging retributive justice, employees consider who is responsible, in what context, and what the outcomes are. There is significant cultural variation in making all

these judgments. When employees believe the organization is treating them fairly, they have positive psychological and behavioral reactions. Culture often influences the magnitude and nature of these reactions.

Since work and family are the two most important aspects of life for most adults, the interface between them has become an important organizational issue. The influence between the domains can either be negative, conflict, or positive, facilitation. Each has different sources and outcomes. The cultural dimensions of masculinity/femininity and individualism/collectivism have the most influence on work-family interface. Social support from coworkers and supervisors along with organizational benefits and practices that reduce or prevent stress help employees better manage work-family interface. These two approaches can lead to positive work outcomes for employees and improved stock performance for the company.

Key Points:

1. Feelings of commitment to an organization

The following are consistent with research findings:

- The organization has a good reputation
- The organization has good policies regarding employees
- The organization makes employees feel comfortable
- The organization recognizes employee achievements
- The organization is responsive to employee suggestions
- The organization gives employees challenging work to do
- The organization sets challenging goals
- The organization gives employees feedback
- The organization treats employees fairly
- The organization has strong leadership

2. Techniques to enhance employees organizational commitment

Such things as

- providing employees a wide job scope,
- good understanding of how to do their jobs,
- considerate supervisor,
- good pay,
- Opportunities for promotion seem to be related to commitment in many countries.

3. Cultures influence on inputs

Culture may influence the value that people put on various types of inputs. For example, ascriptive societies view personal characteristics such as age, gender, and family background as relevant inputs. In contrast, achievement-oriented countries look at education, working experience, and skills. Collectivists value loyalty and commitment to the group, so in collectivistic societies seniority is a valued input, but individualists think performance is more important

4. Sources of work-family facilitation

Existing research indicates that when friends, family, and co-workers are supportive about work demands or when employees have the opportunity to make decisions at work, this creates facilitation. Having family-related social support, for example, a relative who can stay with children if the parents need to work late also leads to facilitation.

Any sources that are linked will make it easier for employees to manage the demands that come from both work and family domains. For example, work-related skills that can be used to help family members might be a source of facilitation. When friends, family, and co-workers are supportive about work demands or when employees have the opportunity to make decisions at work, this creates facilitation. Having family-related social support for example, a relative who

can stay with children if the parents need to work late also leads to facilitation (One illustration: IT skills learned at work may make it easier for a parent to help with a child's homework.

5. Responsibility taken by organization to support employees

The responses vary. Cultural influences could include individualism/collectivism, egalitarianism, power distance, uncertainty avoidance, masculinity/femininity and possibly others as well. For example, in an egalitarian culture, people may believe that organizations should take greater responsibility for helping employees manage work and family interface so that both males and females will have equal opportunity to work.

<ul style="list-style-type: none">▶ In Section 4 of this course you will cover these topics:<ul style="list-style-type: none">▪ Managing Diversity▪ Leadership
<ul style="list-style-type: none">▶ You may take as much time as you want to complete the topic covered in section 4. There is no time limit to finish any Section. However you must finish All Sections before semester end date.
<ul style="list-style-type: none">▶ If you want to continue remaining courses later, you may save the course and leave. You can continue later as per your convenience and this course will be available in your area to save and continue later

: Managing Diversity

Topic Objective:

At the end of the lesson the students will be able to:

- Define diversity
- Understand how different cultures view diversity
- Explain Coxs model of the multicultural organization
- Discuss various ways of managing diversity in organizations
- Describe unintended results of managing diversity
- Consider how managing diversity can be a competitive advantage

Definition/Overview:

The concept of managing diversity is gradually developing worldwide. As a result of changing demographics in many countries, domestic labor forces are increasingly more diverse. There are also increasingly greater numbers of businesses entering international markets. As a result of these changes, employee diversity requires more management to increase organizational effectiveness.

Coxs (1993) model of the multicultural organization analyzes an organizations capability to effectively integrate culturally diverse employees. There are three organizational types, the monolithic, plural, and multicultural. Although most organizations throughout the world fit the monolithic or plural type, in the future there will be greater need for companies, particularly those that are global, to be multicultural. In using an organization level approach to move a company towards the multicultural organizational type, managers can take a systemic approach that encompasses different activities.

Managing diversity can sometimes have unintended results. An organization might create negative attitudes in the majority if they view management as unfairly accommodating minorities. Organizations must also realize the multiple influences on employees attitudes and behaviors as they establish diversity programs.

Managing diversity effectively can potentially be a competitive advantage for organizations. However, having a diversity program, even one that is highly regarded, does not necessarily influence business performance.

The concept of managing diversity is becoming increasingly common, particularly in global corporations that have employees from around the world. However, in some parts of the world,

the issue of diversity is unimportant or irrelevant. With changing demographics and greater internationalization of businesses worldwide, the need for managing diversity will spread and could lead to greater convergence.

An effective international manager needs to develop skills for understanding and managing diversity. Since different cultures have various approaches to diversity, it is important to understand these approaches and the potential impact they could have on the manager.

Key Points:

1. Diversity definitions (Community based)

Definitions will vary depending on where you live. In New York City, diversity is defined in terms of many variables: race, ethnicity, gender, religion, language, sexual preference, occupation, education, political affiliation, neighborhood, and others. In the United States, these same variables as well as city, state, region, and urban/suburban/rural could also be factors.

In the United States there is a basis for equality in the culture and laws. Equal opportunity and affirmative action laws have had a positive impact on the treatment of minorities and women in the workplace since the mid-1960s. However, a preponderance of evidence has shown that those who are different from the majority are often not treated in a fair manner, either at work or in their personal lives.

2. Workplace diversity

Workplace diversity refers to the extent to which an organization is culturally diverse. Cultural diversity includes the range of ways in which people experience a unique group identity, which includes gender, sexual orientation, race, ethnic and age. An organizations culture tends to determine the extent to which it is culturally diverse.

3. Benefits of diversity in the workplace

Diversity is beneficial to both the organization and the members. Although members of an organization are interdependent, cultural differences can improve productivity. In an era when competition is high and the global economic is a reality, diversity is a critical ingredient for an organization's success.

Mathematical modeling research of team work supports this view. He demonstrated that heterogeneous teams consistently out-performed homogeneous teams on a variety of tasks. Diversity in teamwork is not so simple in the messy real world. Too often the cultural differences create problems. The goal is to manage diversity to take full advantage of it.

4. Challenges of diversity in the workplace

There are challenges to managing a diverse work population. Managing diversity is more than simply acknowledging differences in people. It involves learning to value differences, overcoming personal biases, and thinking inclusively. Managers must manage diversity to avoid personnel turnover and lower work productivity due to cultural clashes.

5. Managing diversity tools

Managing diversity goes far beyond the limits of equal employment opportunity and affirmative action. High performing diversity managers recognize that specialized skills are necessary for creating a productive, diverse workforce. They seek out continuous learning opportunities and some go as far as acquiring certification. Managers must be willing to work towards changing the organization in order to create a culture of diversity and inclusion. Assessment skills and diversity education are key elements of culture change. However, the leaderships support of the change cannot be understated.

6. Implementation

Diversity issues change over time, depending on local historical and dynamic conditions. Overt "diversity programs" are usually limited to large employers, government agencies and businesses facing rapid demographic changes in their local labor pool and help people work and understand each other. The implementation of diversity is often limited to the Human resources department when there is also a good economic case for UK companies to use it as a tool to reach new market shares.

7. Legal frameworks

US anti-discrimination laws prohibit employers giving any consideration to customers preferences for being served by employees of a given gender, ethnic group, or color. In general, the laws also prevent consideration based on religion, although the law allows major exceptions of this provision for religious organizations. Many countries are also introducing anti-discrimination laws (for example the DDA in the UK) forcing companies to be more aware of diversity. The law student organization Building a Better Legal Profession generated significant controversy in October 2007 for reporting data suggesting that most private law firms themselves lacked demographic diversity.

8. Approaches to manage diversity

Some approaches to managing diversity include:

- Organizational level approaches
- Diversity training
- Core groups
- Multi-cultural teams
- Using senior managers of diversity
- Recruitment and selection programs that focus on hiring individuals who value diversity

- Compensation and reward programs tied to achieving diversity goals
- Language training
- Mentoring programs
- Cultural advisory groups
- Corporate social activities that celebrate diversity

9. Managers efforts to maximize the teams effectiveness

Team effectiveness for a diverse work group can be maximized if:

- Members are chosen as equals.
- There is ample opportunity for members to understand each other.
- Differences among member backgrounds are acknowledged and how the differences will be managed within the group discussed.
- Members show respect for one another.
- The group can receive feedback from an outside source.
- Members of the group accept a mutual goal.

10. Diversity in other countries

The country can be compared to the United States, Canada, Japan, or Germany. The United States includes a widely diverse population. Diversity is a subject of great interest and there is extensive legislation to prevent discrimination in employment. Large companies often have programs to manage diversity. In Canada, there is also a widely diverse population. Although there is less legislation relating to diversity than in the U.S., many large companies in Canada also are concerned with effectively managing diversity. In Japan, the population is relatively homogeneous, and gender may be the major diversity variable. However, managing diversity is not seen as an issue in Japan. There has been a history of guest workers in Germany and, more recently, a large influx of immigrants. Although Germany follows the diversity directives issued

by the European Union, the German attitude towards those coming from outside the country has been mixed

: Leadership

Topic Objective:

At the end of the lesson the students will be able to:

- Define leadership.
- Understand the relationship between culture and leadership.
- Discuss the theory of leader legitimacy and a cross-cultural contingency model of leadership.
- Describe typical leadership patterns in two cultures.
- Understand the implications of Project GLOBE for cross-cultural leadership.
- Identify issues that affect women becoming leaders in various cultures.
- Consider ways that leadership is becoming more similar or different because of changes in organizations worldwide.

Definition/Overview:

The role of leadership in an organization is complex. Leadership has many definitions because it has multiple meanings to members of organizations. Also, the meaning of leadership varies across cultures. However, leadership involves power distance which varies with national culture and political culture.

Most leadership theories developed in the United States have limitations when applied to other cultures. McGregor's Theory X and Y illustrate these limitations but also suggest that the research questions asked by American scholars have applicability to various cultures. Leadership theories developed in other cultures, for example, PM Theory from Japan and NT Theory from India, reflect key universal issues in leadership theory but adapt it to specific cultures. Weber's typology of traditional, charismatic, and rational authority provides a set of concepts for examining leadership across cultures.

The major patterns of leadership in two societies illustrate Weber's typology. In overseas Chinese societies traditional patriarchal leadership patterns combine with familism. French leadership is also patriarchal but relies less on kin relations and extensively on bureaucratic principles. It is gradually changing, because of pressure from globalization, toward less patriarchal decentralized authority.

Project GLOBE is a major contribution to the study of cross-cultures patterns of leadership. An important finding is that most cultures have a preference for charismatic and transformational leadership. Another finding is that significant inequality in leadership opportunities exists on the basis of gender throughout the world. While some societies are striving toward gender equality, others persist in maintaining traditional gender roles.

Forces for convergence are the spread of leadership styles of multinational and global organizations. Forces for divergence include attempts to preserve culturally specific leadership styles. International managers need to understand leadership because they often perform leadership functions even at non-executive levels. Knowing which leadership approaches are appropriate in different situations helps a manager become more effective.

Key Points:

1. Importance of leadership for organizations

Leadership is important for organizations from the cultural perspective because effective leaders interpret and translate a culture's value system for other members of the organization. Leaders also create a vision, goals, and processes for organizations.

2. Affect of culture on leadership

National culture affects leadership because of the basic underlying values of the society and what it defines as legal and ethical behavior. Political culture affects leadership because it specified the expected relationship between leaders and followers, for example, whether democratic or autocratic values are held in a society. Organizational culture affects leadership by constraining the actions of a leader, for example, an autocratic leadership style will be ineffective in an organization that values employee participation.

3. Limitations of American leadership theories for cross-cultural leadership

Some of the limitations of American leadership theories are that they assume the cultural values of the United States and that in most cases, American leadership theories receive either little or mixed support from research designed to see if they accurately explain the relationship between a leader and subordinates.

4. Legitimacy importance for understanding leadership

Legitimacy is important for understanding leadership because it analyses conditions under which a leader is obeyed by subordinates. Without legitimacy--unless force is used--a leader has either no ability or reduced ability to expect compliance.

5. Project GLOBE and cross-cultural leadership

One important implication of Project GLOBE for global managers is that because each culture varies the actual leadership and leadership preference of each culture varies. This indicates that an approach to leadership based on cultural values and differences in leader behavior should inform the global managers selections of leaders for specific international assignments.

Another important finding from Project Globe is that across cultures there is strong and universal endorsement of charismatic-transformational leadership. This suggests that despite important

cultural differences most populations have similar understanding and expectations of leaders at least as understood from the perceptions of middle level manager.

6. Contributions of charismatic and transformational leaders to organizations

According to Weber, charismatic leadership is based on devotion to the specific and exceptional sanctity, heroism or exemplary character of an individual person, and of the normative patterns or order revealed or ordained by him. Transformational leadership is a variation on charismatic leadership with an emphasis on a highly competent person who acts like a visionary and teacher.

In both cases these types of leaders make contributions to organizations that include providing a vision, motivating, teaching, and initiating change. Charismatic leadership is particularly oriented to introducing radical change in an organization.

7. Role of ethics in effective leadership

Leadership is moral and the concept of legitimacy contains within it the assumption that a leader meets the moral requirements of the group that they lead. Of course, leaders can act in immoral ways that challenge their legitimacy and claim to moral superiority.

8. What leadership behavior in a different culture

An international manager should use a leadership style that is similar to the country she is working in. In some cases, because of a cultural bias toward men, this will not be effective. In addition, it may not be possible to adjust personality and leadership style in a significant way for short periods, for example, a project in another culture. Under these circumstances, a leader should retain their own style.

People view the organisation as an extension of themselves, they feel good about what they personally achieve through the organisation and have exceptional Cooperation. Individual goals are aligned with the goals of the organisation and people will do what it takes to make things happen. As a group, the organisation is more like family providing personal fulfillment which often transcends ego so people are consistently bringing out the best in each other. In this culture, Leaders do not develop followers, but develop other leaders. Most everyone in this culture is operating at the level of Organisation.

Carmazzi's model requires application of his Directive Communication psychology to evolve the culture. While the idea of having a Leadership Enriched organisation is inspirational, it would require substantial Leadership resources to develop. The concept of Evolving the culture assumes that "Every Individual in the organisation wants to do a good job", and the behaviours that result in poor performance are manifestations of psychology the group or organisation has created through policies, leadership and poor communication

▶ In Section 5 of this course you will cover these topics:

- ▶ Organization Structure
- ▶ Organizational Culture
- ▶ Organizational Change

▶ You may take as much time as you want to complete the topic covered in section 5. There is no time limit to finish any Section, However you must finish All Sections before semester end date.

▶ If you want to continue remaining courses later, you may save the course and leave. You can continue later as per your convenience and this course will be available in your area to save and continue later

: Organization Structure

Topic Objective:

At the end of the lesson the students will be able to:

- Define organizational structure and understand the elements that compose it.
- Know how bureaucracies and other types of organizations are structured.
- Appreciate the structure and role of family business.
- Know how culture affects various types of organization structure.
- Have an awareness of emerging types of organizational structures in the global economy.

Definition/Overview:

Organization structures vary within industries, between industries, and across cultures. One of the determinants of organization structure is culture, particularly social values concerning the nature of work, the rational use of resources, the desired quality of interpersonal relationships, and the social welfare of a society. A counter argument is that there are universal organizational structures that are determined by non-cultural variables such as technology, size, strategy, and the organization's competitive environment. In this view, culture plays little, if any, role in determining organization structure.

Key variables for understanding organization structures are complexity, centralization, and formalization. Depending on their arrangement, these variables produce various forms of organization. Some commonly found types of organization structures are: bureaucracy, matrix, and family businesses. Culturally distinct structures are Japanese keiretsu and Korean chaebols. In recent years new forms of global structures have emerged including boundaryless organizations, networks, and heterarchies

Some factors -- for example, transnational corporations and networks--are creating similar organization structures throughout the globe. At the same time, other factors such as national

culture produce distinctive structural arrangements. An example is the Swedish automotive industry which over many years has attempted to find ways to assemble high quality cars without sacrificing the human aspects of work to the technical efficiency requirements of the traditional assembly line.

Finally, managers can choose to manage in a way that is sensitive to variations in organizational structure or to approach every organization as though structural variations do not affect interpersonal relationships. In some instances, however, such as the family business structure, it is difficult to avoid the implications of culture on structural arrangements.

Key Points:

1. Organizational structure

Organizational structure is the arrangement of positions in an organization. Organizational culture is a concept in the field of Organizational studies and management which describes the attitudes, experiences, beliefs and values of an organization. It has been defined as "the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization.

This definition continues to explain organizational values also known as "beliefs and ideas about what kinds of goals members of an organization should pursue and ideas about the appropriate kinds or standards of behavior organizational members should use to achieve these goals. From organizational values develop organizational norms, guidelines or expectations that prescribe appropriate kinds of behavior by employees in particular situations and control the behavior of organizational members towards one another."

Organizational culture is not the same as corporate culture. It is wider and deeper concepts, something that an organization 'is' rather than what it 'has' (according to Buchanan and Huczynski). Senior management may try to determine a corporate culture. They may wish to impose corporate values and standards of behavior that specifically reflect the objectives of the organization. In addition, there will also be an extant internal culture within the workforce. Work-groups within the organization have their own behavioral quirks and interactions which, to an extent, affect the whole system. Roger Harrison's four-culture typology, and adapted by Charles Handy, suggests that unlike organizational culture, corporate culture can be 'imported'. For example, computer technicians will have expertise, language and behaviors gained independently of the organization, but their presence can influence the culture of the organization as a whole.

2. Variables to create organizational structure

Variables that contribute to organizational structure are: (1) complexity, the extent to which an organization has subparts which includes vertical differentiation, the number of levels in an organization and spatial dispersion or horizontal differentiation based on geography; (2) centralization, the extent to which decision-making is made by few or many people in an organization, and (3) formalization, the extent to which rules, policies, and procedures govern organizational behavior.

3. Culture as a determinant of organizational structure

The rationale for culture as an element in the explanation of organizational structure is that evidence suggests that different cultures view the components of structure from a cultural perspective not only from a rational perspective. For example, some cultures prefer centralized organizational structures because of their political emphasis on autocratic regimes.

4. Matrix structure

A matrix structure is more flexible than a bureaucracy. It is appropriate to use a matrix when both functional and specialized authority positions are involved in a project.

5. Characteristics of a family business

Some characteristics of family businesses are the governance is dominated by family members, there is distrust of non-kin employees, there are difficulties with leadership succession, there may be limited expertise, business decisions are often made on non-rational basis including the needs of the family, and there is often conflict among family members.

6. The keiretsu form of organization Vs. governance structures in US

Most large corporations in the United States differ from keiretsu because they are managed by professional managers and have no connection to family business.

7. Distinguishing emerging organizational structures from established ones

The primary difference between old and emerging organizational structures is the absence of rigid boundaries in the new structures. This creates flexibility in terms of authority, geographic boundaries and the ability to change and develop new ideas and products.

8. Managers knowledge of organizational structures in different cultures

Assuming that different cultures contain different organizational structures, an international manager should be able to understand the variations and their implications for business even if they cannot change or manage them in different ways

: Organizational Culture

Topic Objective:

At the end of the lesson the students will be able to:

- Define organizational culture and know why it is important.
- Distinguish between organizational, national, and global culture and understand the relationships among them.
- Evaluate the culture-free approach to understanding organizational culture.
- Identify levels of organizational culture.
- Know what organizational culture does.
- Discuss the cultural dimensions and typology approaches to understanding organizational culture.
- Understand how organizational culture can be managed.

Definition/Overview:

Organizational culture is an important factor shaping behavior in organizations. An alternative viewpoint is that culture plays little role in determining the functioning of an organization and that processes such as industrialization are universal and cut across cultures. Another viewpoint is that organizational culture is not unique but closely related to national culture because organizational boundaries do not prevent the values and behavior of the surrounding culture from influencing it.

Organizational culture exists on several levels in organizations ranging from observable artifacts to difficult to detect basic assumptions. These features construct a culture that can either be functional or dysfunctional for the organization.

One approach to understanding organizational culture is a typology such as Trompenaars and Hampton-Turners family, Eiffel Tower, guided missile, and incubator cultures. They suggest that certain types of organizational culture develop more predominately in different national cultures.

Although there is little agreement to what extent culture is manageable, organizational leaders can influence the entrance and socialization of new members, and interpret stories and rituals important to the organization. These are key components of culture creation and maintenance. The leader can also change the organization's culture by attempting to reframe the underlying assumptions.

The prospect of organizational cultures becoming more alike or dissimilar depends on the evolution of national cultures. Movement toward more homogeneous national cultures which to many observers of business trends appears unlikely would probably result in similar organizational cultures. It is important for managers to understand organizational culture in order to coordinate activities within the organization. Managers also should know how organizational culture influences their behavior.

Key Points:

1. Organizational culture

Organizational culture according to Schien is "A pattern of basic assumptions--invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration--that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems."

2. Relationship between organizational, national, and global cultures

Organizational, national, and global cultures each share certain basic assumptions. They are not identical but to some extent, share some of the same assumptions. As basic cultural assumption that could be found at all levels is that: "People in other cultures either think the same way or differently than do people in our culture."

More important than particular elements of culture is recognition that increasingly the boundaries of cultures are open to new influences. Most organizations are influenced to some extent by national and global cultures.

3. Basic assumptions of organizational culture

Basic assumptions are considered the deepest level of organizational culture because members of an organization and culture take them for granted—they are the foundation for the only way that life can be understood. Because of this they influence all aspects of life and are difficult to change.

4. Organizations are culture free

The culture free approach is the view that the specific values of a culture are irrelevant to management. The strategies, policies, regulations, rules, and technology of a company can be used successfully independent of culture.

The culture argument is that culture affects all areas of an organization including its use of technology.

There is no easy way to determine which of these views is correct but one approach supported by research is that cultural affects micro level interpersonal behavior more than it does macro level behavior such as strategy formulation and the use of technology.

5. Trompenaars' typology of organizational cultures

The answer depends on the culture of a particular country. In the United States many of the types of organizational cultures that Trompenaars identifies can be found despite his claim that the guided middle culture is the dominant one.

6. Preventing the dysfunctional aspects of organizational culture

While it is difficult to prevent dysfunctions possible solutions include strong leadership, a clear culture that employees are intentionally socialized into, and change programs designed to mitigate possible negative culture traits such as resistance to change.

7. Elements of organizational culture that a leader can change

Some elements of organizational culture that leaders can change are the selection criteria of organizational members, that is, selecting new members and the socialization of new members through training and other programs

: Organizational Change

Topic Objective

At the end of the lesson the students will be able to:

- Define organizational change and understand why managing organizational change is an important part of international management.
- Understand the individual, group, and structural levels of change.
- Know what internal and external factors influence organizational change.

- Explain the role of national and organizational culture on organizational stability and change.
- Understand the processes involved in planned organizational change including sources of resistance to change and ways to overcome them.
- Understand how macro level theories of organizational change influence the management of change.

Definition/Overview:

Organizational change is an important topic for managers because a substantial part of their job requires the formulation and implementation of planned organizational change. Affecting all managers and workers is the increasing amount of change produced by the internationalization and globalization of organizations. Instead of managing primarily local external and internal pressures for change, managers now have to contend with forces for change from many parts of the world that have the potential to change an organization.

Organizational change occurs at the level of individual, groups, and organizational structure. The most significant change is structural because it affects the other levels. Sources of change are internal and external. Internal variables include the technical production process, political processes, and the organization's culture. External forces are population and social trends, political-economic movements, social movements, technology, competition, professionalization, and culture contact.

National culture influences organizational change because cultures respond differently to change. The time orientation of cultures can be past, present, or future oriented. In addition, various factors create resistance to change such as tradition, habit, resource limitations, power and influence, fear of the unknown, and values.

Lewin's theory for managing change, organization development, and macro change theories are useful for managers to understand the dynamics of change. It is also important for managers to understand methods for overcoming resistance to change including education and communication, participation and involvement, negotiation and agreement, manipulation and co-optation, and the use of coercion.

Finally, managers have to be aware that some theories of change, for example, organizational ecology, life-cycle theory, dialectical theory, and evolutionary theory limit the role of managers in initiating and controlling the change processes of organizations.

Key Points:

1. Rate of prevalent organizational change

Some reasons for change in organizations worldwide are the fall of Communism, the globalization of corporations and changes in technology such as e-mail, the computerization of the workplace and the introduction of international quality standards.

The rate of change has accelerated over the last two decades because the changes noted above have happened together creating new opportunities.

2. Role of culture in promoting barriers to change

Different cultures view change as either a threat or an opportunity. For example, some cultures are oriented toward the past, revere tradition, and resist change. Other cultures are oriented toward the present or future and value change. However, this does not mean that they do not resist change. To some extent all societies have barriers to change, but the nature and severity of the barriers is affected by culture.

3. Managers application to change

Without an accurate theory of change, it is difficult for managers to understand the forces acting on an organization that create pressures for and against change. It is also difficult to plan interventions that promote constructive change without an underlying image of the change process. Finally, in some cases, particularly where external variables are forceful or societal or organizational cultures are central to the change process, a manager might reasonably conclude that she can exert little control over change.

4. Resistance to change

The answer to this question is based on the student's understanding of the change literature as well as personal experience. Most students acknowledge that change is a difficult process and that in most cases they are familiar with, change occurs because it is initiated by outside forces and often resisted.

5. Managers strategy to overcome Resistance to change

If attempts to overcome resistance to change fail a manager can let the natural causes of change work for a period of time and then re-strategize and replan an approach to managed change. The natural change processes include the organizational life cycle, evolutionary processes, and internal and external crises. In many instances a crisis provides an opportunity to introduce change, often through the introduction of a new leader whose mandate is to create change.

6. Managers success in implementing planned organizational change

On balance under the expectation is that students will answer that under certain conditions the management of change is possible but that in other conditions--resource scarcity, employee resistance, large scale change--the likelihood of change decreases.

7. Unanticipated outcomes of planned change

Some unanticipated outcomes of planned change are the creation of resistance to additional change and group conflict. Resistance to further change occurs because organization members take the view that leaders introduce change without enough thought and become obsessed with "change for the sake of change." Group conflict can develop because change threatens the distribution of organizational resources; groups with vested interests fight to retain or increase their resource base.

The primary method for managing and attempting to avoid these unanticipated outcomes is to have as much participation in the change process as early as possible. Including key members of various components of the organization in the planning and management of change increases the possibility of intended outcomes and reduction of conflict.

8. A planned change in an organization

For many students the organization will be the college or university that they attend. If so, there is a strong possibility that the change included some of the problems of change in any organization including much talk and little action, pockets of resistance, false starts, crises, lack of support, and some undesirable byproducts