

In your Module 5 lecture module, there are a number of links to resources for exploring global trends. Check out one of these links to identify a trend that might affect your current (or most recent) organization or industry in some way. A trend is something that usually is changing over time -- typically either increasing or decreasing. What did you learn (i.e., what is increasing or decreasing) and why is this trend significant for the management of your organization? Post your result here as a reply to this thread.

Note: Hofstede's national cultural dimensions are, as noted in the lesson module, simply "categories in which cultures differ", not trends so they are not relevant to this discussion. We will have a separate question on this topic later in our discussion.

Use Week 5 reading list to cite your answer in 200 words.

Week 5 Reading List

1. Globalization

http://ezproxy.umuc.edu/login?url=http://go.galegroup.com.ezproxy.umuc.edu/ps/i.do?id=GALE%7CCX3273100119&v=2.1&u=umd_umuc&it=r&p=GVRL&sw=w&asid=b75423fab96ff96157be74911ffdbeeb

2. Hofstede's Five Dimensions of Culture

<http://sk.sagepub.com.ezproxy.umuc.edu/reference/businessstoday/n468.xml>

3. Cross-Cultural Management

<http://sk.sagepub.com.ezproxy.umuc.edu/reference/organization/n112.xml>

4. Cultural Intelligence

<http://ezproxy.umuc.edu/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=tfh&AN=109097382&site=eds-live&scope=site>



In this module you will learn:

- What we mean when we use the term globalization.
- You will learn about national cultural research and think about how global trends and cultural behaviors are a part of a bigger global system of knowledge.
- You will learn about various cultural differences and their implications for how you lead and manage.

Module 5

Globalization Trends and Diversity/Cultural Values

INTRODUCTION:

When Dorothy threw water at the wicked witch of the West, she cried out "I'm melting, I'm melting." Just like we watched her shrink from the screen we are watching the world shrink. We call it globalization here are many definitions of Globalization including the following:

The integration of people into a single world society and seeing the world as a whole.

A world -wide interconnectedness of social relations so that things happening in our own back yard are shaped by things happening thousands of miles away.

A view Swedish journalist Thomas Larsson, in his book *The Race to the Top: The Real Story of Globalization*, states is that globalization is the process of world shrinkage, of distances getting shorter, things moving closer. It pertains to the increasing ease with which somebody on one side of the world can interact, to mutual benefit, with somebody on the other side of the world.

There are many indicators of this phenomenon, including those referred to below:

- This year, about 214 million people are likely to move to another country with hopes for jobs and better lives.
- In 2011, more than 4.6 billion citizens across the globe had cell phone subscriptions to communicate with others. Two-thirds of these were smart phones and could access the internet for online banking and sharing of data.
- If women achieved economic parity in *developed* countries, the projected increase in GDP (gross domestic product) could contribute up to 9 percent to the US economy, and in European Countries parity could boost GDP up to 13 percent; these countries' GDP slowly began to rise following a very low growth rate of 1-3% because of the impact of the 2008-9 economic crisis (World Economic Forum, 2012).

There many reasons why the world has become a global village, not the least of which is the speed by which people can travel from place to place as seen in the images below.

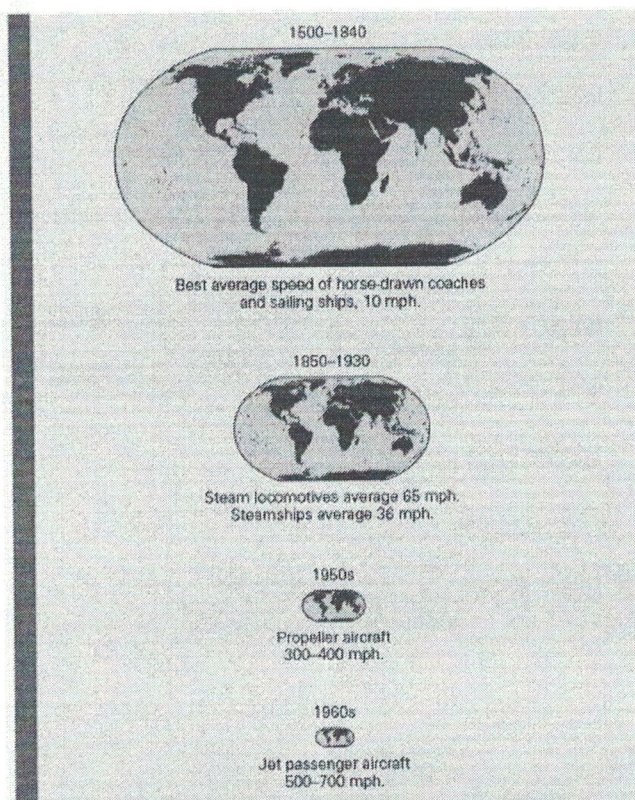


Figure 1: P. Dicken, *Global Shift* (New York: Guilford Press, 1992), p. 104.

At-A-Glance Definitions:

- **Multi-national Organization:** An enterprise which spans more than 1 (often many) national borders and cultures.
- **Globalization:** The decrease of distance for trade and development of goods, services, as well as human interests.
- **Culture:** Something that ties or links a group of people together so that they and others can recognize the group as a society, tribe, or community. Country-based or national culture is learned and shared by older members of a group who pass their beliefs on to the younger people of the same community. Culture can also be described as something (such as morals, laws, customs, or habits) that provides a way of seeing and making sense of the world.
- **Diversity activities:** A term used to identify information dissemination and training in smaller and larger enterprises. Other phrases often used to refer to these activities: diversity policies, programs/initiatives, and affinity groups. Diversity activities recognize and respect differences among workers due to ethnicity, race, gender, age, and sexual orientation by gathering data, holding workshops and events, and establishing affinity groups. US Diversity programs began in response to government affirmative action policies and civil rights laws/court decisions banning discrimination in the 1960-70s.

Different Aspects of Globalization

Economic globalization refers to the ever increasing economic interdependence of national economies. This has been brought about because of a decrease in international trade regulations, tariffs, and taxes and an increase in the movement of goods, services, technology, and capital across borders

Cultural globalization refers to the transmission and diffusion of ideas and values around the world by the internet, the media and travel. The effect is to create increased social interaction among people in the world, and to create a sense of interconnectedness among different people and cultures.

Examples of Cultural Globalizations come in the form of food and music. For example, travel to China doesn't mean

that you have to leave your favorite foods behind. In large Chinese cities (and they are all large) you can have a Big Mac, eat Kentucky Fried Chicken or order your favorite Starbuck's latte.

Music is another example. Genres such as jazz and reggae, which were home grown music styles, became international phenomena. Globalization gave support to the world music by allowing music from developing countries to reach broader audiences.

Some critics say that globalization leads to homogenization, which harms cultural diversity. Dominating cultures, with their values and institutions, can become threatening to the diversity of local cultures. Some fear that globalization may ultimately lead to the Westernization or Americanization of culture, causing harm to local cultures.

Political globalization. Some people argue that globalization may ultimately reduce the importance of nation states as international institutions, such as the European Union, the WTO, the G8, and mega-humanitarian organizations (e.g., the Bill and Melinda Gates Foundation) work on a global stage.

Gathering/Researching Demographic Trends: An ongoing task for managing in a diverse, global setting

Managers and organizational leaders must be aware of the trends that are emerging worldwide in order to position their organizations to capitalize on the future market opportunities.

Web-based resources provide snapshots of important trends. With data being widely available, there are increased expectations for managers understanding demographic and economic trends. Here's a suggested set of resources to help with tracking data.

Resources to Help Track Global Trends			
Organization	Primary Mission	Types of reports	Links for locating data
World Bank	To assist globally by paying particular attention to the advancement of less	Data and Research section of website compiles reports on populations, economic changes by year and by	http://www.worldbank.org/ Google option: Use the phrase, "country and population" (Google and the World Bank have

	developed countries.	special interest such as environment or technology.	a partnership to provide specific data and information that helps in organizing and retrieving from more than 65,000 documents).
World Economic Forum	To strive towards global development emphasizing values along with rules. Work utilizes corporations/their leaders; governments and their leaders, as well as attention to a civil society.	Offers an annual Global Competitiveness Report and ranking of countries, <i>based on multiple factors and an extended review process</i> . Also offers understanding about issues such as gender gap and tourism impact.	http://www.weforum.org
United Nations	To govern internationally with the primary purpose of fostering peace.	Offers population by age and country: Organization for Economic Cooperation and Development (OCED). Other reports such as country loss and gains: Population Div; Statistics Div; IOM (Office on Migration)	http://www.un.org Google OCED for several links to population data, these data banks can be tailored to provide profiles by country or across several countries.
US Census Bureau, International Data Base	To serve by offering quality data about people throughout the world.	Provides past, current and forecasting information about population changes	http://www.census.gov/programs-surveys/international-programs/about/idb.html
World Trade Organization	To negotiate agreements for reducing obstacles to international trade.	Offers trade profiles, in which the user customizes various factors to make tailored comparisons.	http://www.wto.org/ Select statistical data.
Business Insights:	Provide a wide range of business related	Offers profiles of companies by name, major brand, and	Available through UMUC online library. (Link is available in the last section of this web

Evolving a Multi-national Organizational Strategy

Today and in tomorrow's world, no company can overlook globalization and the management of worldwide transactions. Products can be made and sold anywhere; business communication takes place in seconds; development and production life cycles are now much shorter. Consider these well-known company brands—Coca-Cola, IBM, McDonald's, British Petroleum, Shell Oil, Nissan, BMW, Hewlett-Packard—and do a web search for any one of these businesses to explore and notice the international attention given; these and many more corporations rely on their management adeptness to cross national and cultural borders in making their profits.

Motives for business globalization can be summarized as:

- Reaching for greater economies of scale—larger volume helps to achieve lowest possible cost.
- Exploiting economies of scope—increasing the variety to add to market presence in multiple locations.
- Wanting cheaper labor and easier access to raw materials.

Seeing the Stages of Multi-National Development of a Business

	Strategy	Development Stage	Structural Focus	Potential to Market /grow
Domestic/within 1 country	Focused on market within borders	Managers' priorities are local, but aware of larger trends influencing markets	Accommodates local markets	Dependent on local consumers
Expanding to more than 1 country	Marketing grows to be export focused	Managers attend to trends of competition, standardization	Structure adds international division	Increase goals for growth of market share
Multi-national	Strategic priorities emphasize multiple markets	Managers experience explosion of strategy options	Structural units focus on worldwide use of products/services	Marketing strategy shaped by multi-national factors

Global	Global-macro trends of finance and demographics	Managers must form alliances and partner to provide strategic leadership	Matrix	Whole world is considered to be the market
(Daft, 2013)				

Leadership and National Culture

Even though globalization is increasing, deep-rooted cultural differences still impact the way people behave and see their world. In addition, these cultural lenses determine what they want and expect from their leaders. In this section we briefly look at these cultural dimensions and their implications for how we lead and manage people.

Here's an overview:

Hofstede Cultural Dimension Research (Launched in 1980)

Dutch anthropologist Geert Hofstede surveyed 100,000+ respondents in 50+ countries. Survey data continues to be added to the database. With a strict protocol to assure validity, Hofstede and his researchers identified five major categories in which cultures differ.

Power Distance: The degree to which members of culture believe that power should be shared equally, or kept in the hands of a few

Uncertainty Avoidance: Refers to the degree to which cultures are comfortable with risk and uncertainty.

Individualism / Collectivism: Individualistic cultures emphasize personal achievement while Collectivist cultures, emphasize group achievement.

Masculinity / Femininity: A masculine society emphasizes strength, dominance, assertiveness, while Feminine societies focus on being supportive, caring, and relationship-oriented.

Long-Term Orientation: A willingness to delay short-term success for longer term gain. These cultures are more

future oriented and value persistence, and perseverance, toward long-term goals.

Short-Term Orientation focuses on immediate gratification rather than long-term fulfillment.

(Hofstede, 1980)

Trompenaars and Hampden-Turner Cultural and Corporate Research

These experts delved into larger multi-national companies developing business in 46 countries, but they also used Hofstede's findings to propose specific orientations within organizations to integrate distinctive corporate culture. The organizational cultures centered on primary dimensions of egalitarian-hierarchical, and person-task focus. Egalitarian aspects were similar to more feminine/cooperative or more collective factors identified by Hofstede. Hierarchical factors contained aspects of higher power distance expectations.

GLOBE Research (Began in 2004)

House and his researchers published what is known as the GLOBE Studies, which were aimed at identifying the impact of culture on leadership. They identified nine categories or cultural dimensions which accounted for how countries varied in their approach to leadership. These include: Uncertainty Avoidance, Power Distance, Institutional Collectivism, In-group Collectivism, Gender Egalitarianism, Assertiveness, Future Orientation, Performance Orientation, and Humane Orientation.

They used these dimensions to analyze 62 countries, which formed the basis for classifying these 62 countries into 10 distinct clusters that differentiated countries worldwide. Each of these clusters contained identifiable differences along the nine dimensions. For example, the Southern Asia cluster, comprised of the Philippines, Indonesia, Malaysia, India, Thailand, and Iran showed high scores on humane orientation and in-group collectivism. These are places that show strong family loyalty and concern for their communities. They see effective leadership as collaborative, inspirational, sensitive to individual needs, and concerned with status and saving face. They also tend to see leaders who are more autocratic as effective as opposed to those who are participative.

What this all points to is that effective leadership practices in one culture or country may not translate to another culture. Differences exist and global leaders must be aware of these different expectations and cultural norms.

While these differences exist, the GLOBE Study did identify universal traits that cut across cultural boundaries to identify effective and ineffective leadership. Universally, effective leaders are seen as trustworthy, positive, intelligent, just, motivational, communicative, honest, problem solvers, and team builders to name a few of these characteristics. Universally undesirable traits include leaders who are seen as irritable, ruthless, asocial, dictatorial, egocentric, and non-cooperative.

To be a successful global leader one must

1. **Develop Self-Awareness: Identify self-strengths and -weakness.** Global leaders need to conduct a self-awareness test or assessment to identify self-strengths and –weaknesses. It is important for the leaders to understand their individual reactions to situations and approaches to decision-making. Knowing self-limitations (i.e., strengths and weaknesses) and behavioral patterns can help the leaders perform more effectively in cross-cultural settings.
2. **Understand Cultural Stereotypes: Avoid stereotyping and personal biases.** Global leaders need to understand local culture, stand in the employees' shoes, and be open minded to differences. Understanding cultural stereotyping helps leaders overcome personal biases and value others in a diverse workplace.
3. **Look at a Bigger Picture.** An outstanding cross-cultural leader thinks globally and leads locally.
4. **Develop a Global Mindset.** It is critical for global leaders to enrich their cultural intelligence. By doing so, their international experience can be transformed into a global mindset. A global mindset is one special trait of international leadership that is associated with trust, a manager-employee relationship, and organizational commitment. The development of a global mindset also involves cultural intelligence and global business orientation.
5. **Build Effective Communication Skills: Develop verbal communication skills.** Global leaders also need cross-cultural negotiation skills to maintain international competitiveness. Words and tone must be used carefully in order to deliver the message accurately while maintaining a good relationship. Develop nonverbal communication skills. Actions speak louder than words. The global managers must be cognizant of their nonverbal language and be aware of acceptable behaviors, as well as restrict behaviors, in different cultures. For example, when a Japanese businessperson gives a gift, it normally means a gift to welcome or for appreciation rather than a bribe; similarly, returning a gift is considered polite. In some cultures, such as Brazil,

kisses and hugs are the norm of greeting, while other countries, such as China, nodding heads and smiling or shaking hands are used for greeting. Because of cultural differences, people have various perceptions of personal space, touching, eye contact, etc. Global leaders need to fully understand what these nonverbal behaviors are and the messages they represent

6. **Create Appropriate Motivational Techniques.** Effective global leaders need to be able to establish trust, motivate team members, and foster a team spirit. Creating appropriate motivational techniques (e.g., reward and recognition) can stimulate employees' performance and increase their feelings of appreciation and belonging. Moreover, global leaders can also motivate employees by promoting multiple cultural backgrounds and values. In other words, showing empathy for others and giving appreciation of different values, as well as beliefs and experiences, can motivate employees and retain the best employees.
7. **Take Social Responsibility Seriously.** Today's leadership is expected to promote corporate social responsibility. Organizations are expected to address the social concerns of the community, and leaders are expected to create a pleasant workplace, which directly affects human well-being. To fulfill their social responsibilities, leaders can create a comfortable and pleasant workplace, helping others to preserve the environment, be involved in political welfare (such as advocating against unjust child labor), and engage in philanthropy.