



Course Learning Outcomes for Unit VIII

Upon completion of this unit, students should be able to:

1. Explain how the political and economic environment affects decision making.
 - 1.1 Describe positive and negative outcomes that can result from societal, political, and cultural differences.
 - 1.2 Describe the impact of e-business on leadership.

4. Examine the influence of culture on strategic choice.
 - 4.1 Explain different roles that managers on international assignment often assume to enhance leadership effectiveness.
 - 4.2 Discuss the role of culture when motivating employees.

Reading Assignment

Chapter 11:
Motivating and Leading

Unit Lesson

People are motivated by different variables that change according to the situation. Leadership strategies include close observation of these motivational techniques. We cannot move our culture abroad, therefore the success managers have when doing business overseas is influenced by local societal, political, and cultural variables (Deresky, 2014).

Managers must understand societal differences wherever they relocate. Societal differences, such as the way you eat, can influence how employees react to their managers, for example, a manager transferring from Florida in the U.S. to Norway in Europe must acquire the habit of eating their hamburgers with silverware. In some cultures, managers must use the right hand to present awards to employees (Strutner, 2013).

Managers must understand political differences, especially in countries where politics and business go hand-in-hand. Managers sometimes underestimate the importance of politics in global management. They must plan their strategies around policies in other countries regarding trade and taxation to avoid negative actions against the corporation (Public Affairs Council, 2015). In a recent lawsuit against the Bank of New York Mellon, the bank was forced to end the employment of its managing director, David Nichols as part of the settlement in a currency trade case (Protest, 2015).

Throughout the course, there has been discussion on many of the cultural differences managers may face. While noting the cultural differences in the host country, managers must also note cultural differences in individuals they hire to work for the company and understand their motivations. Deresky (2014) referred to Maslow's Hierarchy of Needs as having relevance to managers who must understand people's motivations in the business world.

Whether people are looking for job security or to invest their time and money in risky investments, they are motivated in a certain direction. Some people are motivated when they can communicate with their superiors and work as individuals, while others are motivated when they relate to their peers and work as teams. In some cultures, people work better if they work in traditional situations where the head of the group is male, while in other cultures gender equality is preferred—although around the world gender equality is not the norm.

According to Deresky (2014), people work as a necessity. In every culture, the need for basic items such as a place to sleep and acquiring food to eat drives people to look for work. However, in areas where people enjoy a high standard of living, they may view work as a means to establish social contacts and boost their self-esteem. International managers have to consider all the different elements that influence the way people view work and organize strategies to take advantage of those elements, thus hiring people who will create a successful business enterprise. Providing leadership that inspires critical thinking and positive attitudes toward work can lead to highly motivated employees.

One of the differences that managers have to consider is how they provide incentives and the types of rewards they give employees. In the U.S., people are accustomed to a reward system that is based on merit and hard work. However, according to Deresky (2014), "rewarding the individual is frowned on in Japan because it encourages competition rather than the desired group cooperation" (p. 340). Conyon & He (2011) note that "U.S. executive pay (salary and bonus) is about seventeen times higher than in China" (para 1).

Another important variable to consider is the difference in business international etiquette. In some countries, you express agreement with a nod of the head while in other countries, it is a sign of disagreement. Managers also have to know the appropriate way to dress and whether it is appropriate to use first names.

Two types of leadership are autocratic and democratic. A manager with an autocratic leadership style who is assigned to work in a country where leadership styles are democratic must get adequate training before he or she leaves for the assignment. The expectation workers there may have is that they will have input into the decision making process.

Managers are engaging in e-business more than before. In trying to adapt to the new culture that technology has spawned, managers need to realize that decisions are being made at a faster rate. Due to the culture changes technology has created, managers have to carefully think through their options, be more flexible, and their vision for the future must include their use of technology.

While accepting that there is no one answer to every problem, managers are learning that they must change their leadership styles depending on the culture in the host country. How they are viewed in the community depends on the cultural norms. "Industry leaders in France and Italy, for example, are highly regarded for their social prominence and political power [while] in Latin American countries, leaders are respected as total persons and leaders in society" (Deresky, 2014, p. 345).

A manager who can motivate his or her employees will see success in employee performance, employee morale, and employee satisfaction. Success in those areas will result in desired productivity and financial outcomes for the organization. As managers adjust their leadership styles depending on the culture, they will gain the trust and loyalty of their subordinates.

It is imperative for managers doing business internationally to be aware of the research on cultural variables and to use the research findings to successfully manage their organizations. It is clear that using one style of leadership will not be effective globally. Even within one country, there can be multiple cultures with significant cultural differences and, therefore, managers must use different strategies to ensure success with employees, trading partners, and other organizations.

One reason many U.S. companies and corporations struggle in Europe is because they have not been deliberate in recognition of the cultural differences in the country in which they hope to establish a business relationship. Simple things like the drinking age can become obstacles. In the U.S., the age of 21 is commonly the legal drinking age while several European countries have a drinking age ranging from 16 to 18 or have no minimum age at all (Hanson, 2015). Even issues like color can send a message. Wearing orange in the Netherlands shows a respect for the royal family and the national soccer team while wearing the same color in the Ukraine symbolizes revolution against the government and may send the wrong message from your business (Karathnicky, 2005).

References

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- Strutner, S. (2013). 8 cultural differences between America and other countries. *The Huffington Post*. Retrieved from http://www.huffingtonpost.com/2013/09/14/weird-cultural-differences_n_3875360.html.

Suggested Reading

The articles below are suggested readings that can provide further information on intercultural management. The articles can be located through the Business Search Complete database in the CSU Online Library.

- Ting-Pang, H. (2011). Comparing motivating work characteristics, job satisfaction, and turnover intention of knowledge workers and blue-collar workers, and testing a structural model of the variables' relationships in China and Japan. *International Journal Of Human Resource Management*, 22(4), 924-944. doi: 10.1080/09585192.2011.555134
- d'Iribarne, P. (2002). Motivating workers in emerging countries: Universal tools and local adaptations. *Journal Of Organizational Behavior*, 23(3), 243-256. doi: 10.1002/job.142