

CROSS-CULTURAL MANAGEMENT

WEEK 3

Culture and Organizations

Structure

Strategy

Marketing

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Structure

Organizational structure refers to the ways a business is designed, organized and formally structured spatially and temporally; it is its architecture.

Since organizational architecture refers to ways of organizing, it is a cultural practice that informs ways of relating among organizational members; it is at the core of corporate/business cultures

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Structure

The organizational structure of a firm can be examined along with the following variables:

- Evolution
- Legal requirements
- Grouping tasks
- Relational diversity



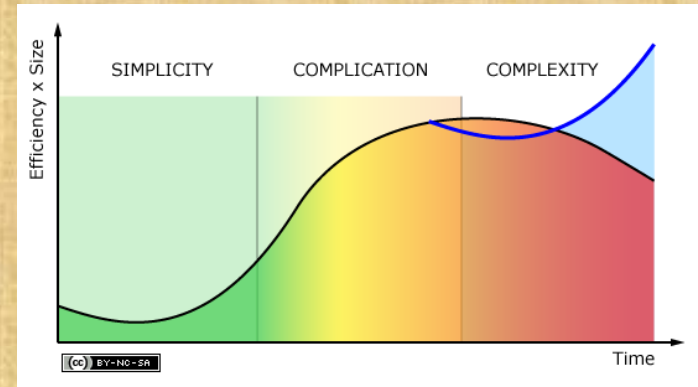
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Structure

Evolution

The stage at which the organization is:

- Entrepreneurial stage: loose structure
- Early stages: semi-formal structure with incubator processes
- Mature stages: formal structures with seated processes



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Structure

Legal requirements

Physical persons (sole traders, simple firms, partnerships)

- No structural requirements

Moral persons (corporations, limited liability firms)

- Separation in 3 bodies: shareholders, board of directors, auditors

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Structure

Grouping tasks

The following forms

- Geographic: organized geographically e.g. profit centers in different locations, domestic or foreign
- Functional: organized in functional departments e.g. marketing department
- Product: organized along product divisions e.g. F&B division

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Structure

Grouping tasks

The following forms

- Matrix: organized in a way to enable cross-functionality e.g. quality management
- Network: organized in a way to enhance knowledge management e.g. research centers
- Transnational: organized in a way to enhance process management abroad e.g. hotel chains

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Structure

Relational diversity

The following forms (Alder & Gundersen)

- Domestic: firm carries out domestic operations; relations tend to be monocultural
- Multidomestic: firm replicated domestic operations in foreign countries; relations are pluricultural
- Multinational: firm is unified system of operations in various countries; relations are pluricultural

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Structure Readings

- <http://sloanreview.mit.edu/article/the-evolution-of-the-organizational-architect/>
- <http://businesscasestudies.co.uk/coca-cola-great-britain/creating-an-effective-organisational-structure/introduction.html#axzz2R5gRzN6x>
- [http://www.uri.edu/research/lrc/scholl/research/papers/O'Neill Beauvais Scholl-2001.pdf](http://www.uri.edu/research/lrc/scholl/research/papers/O'Neill_Beauvais_Scholl-2001.pdf)
- <http://www.sba.muohio.edu/abas/1998/krokosz.pdf>

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Strategy

If strategy refers to the competitive aim that an organization wishes to achieve relative to events happening within and without the organization, the process for establishing such an aim is cultural.

Strategy as a cultural praxis involves

- Collecting information
- Producing decisions



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Strategy

Worldviews (Schneider & Barsoux):

- Controlling model: strategic management is carried out by use of formal and quantitative methods; only the top management is concerned with strategic management
- Adapting model: strategic management is carried out by use of informal and qualitative methods; the whole of the organization is concerned with strategic management

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Strategy

Variables at play in strategic management
(Fatehi):

- Individual: personal mental framework (engineering oriented; symbolic-oriented)
- Relational: role and consideration of employees and line managers
- Environmental: regional and national norms

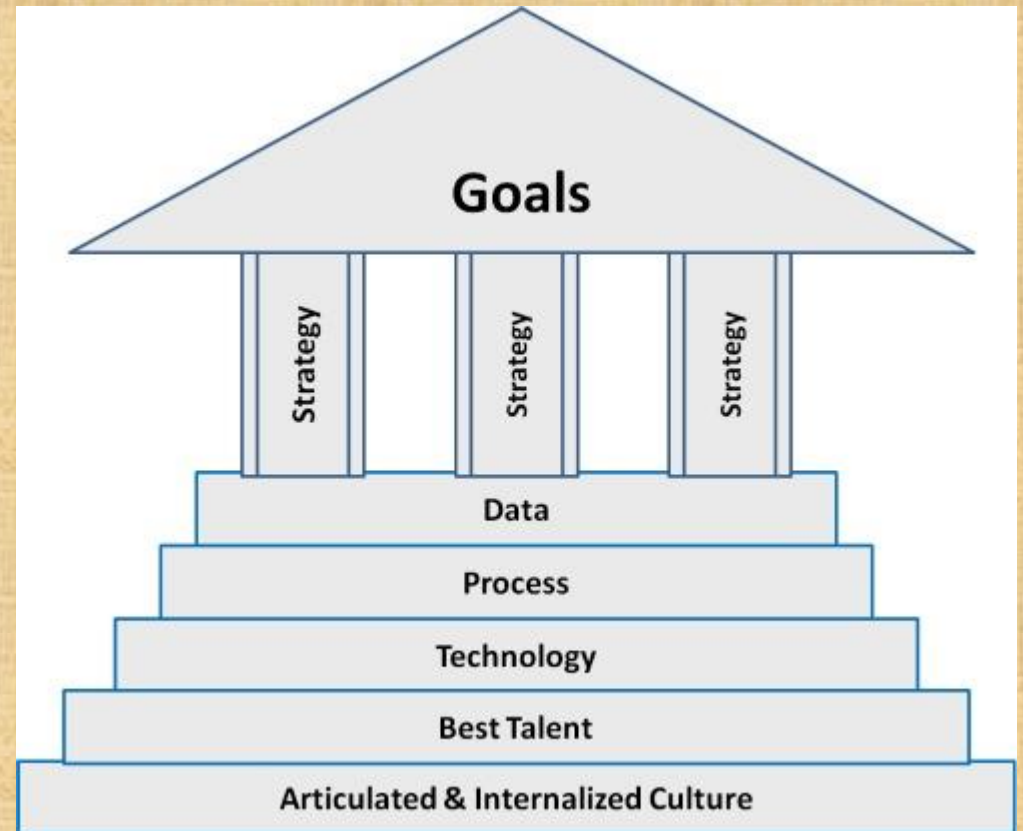


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Strategy

Situations:

- Strategic management of individual firms
- Strategic management in mergers and acquisitions



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Strategy

Strategic management in mergers and acquisitions (Delavallee):

- Assimilation: the adjustment or accommodation of cultural identities
- Deculturalization: the loss of cultural identity
- Separation: the coexistence of two cultural identities
- Integration: the combination of cultural identities into producing a new one

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Strategy Readings

- <http://www.forbes.com/sites/mikemyatt/2012/05/29/culture-vs-strategy-whats-more-important/>
- [http://xa.yimg.com/kq/groups/18937164/744773344/name/johnson%2B\(1\).pdf](http://xa.yimg.com/kq/groups/18937164/744773344/name/johnson%2B(1).pdf)
- <http://www.culturestrategyfit.com/>
- <http://www.fastcompany.com/1817137/culture-vs-strategy-false-choice>

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Marketing

Marketing as the way to establish consumer profiles and segments wherein to position and brand products is a cultural practice as it depends on:

- The individuals working in a marketing department
- The prevailing corporate culture
- The regional and national context

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Marketing

Marketing is relational by definition as it aims to articulate, bring together, consumers and producers.

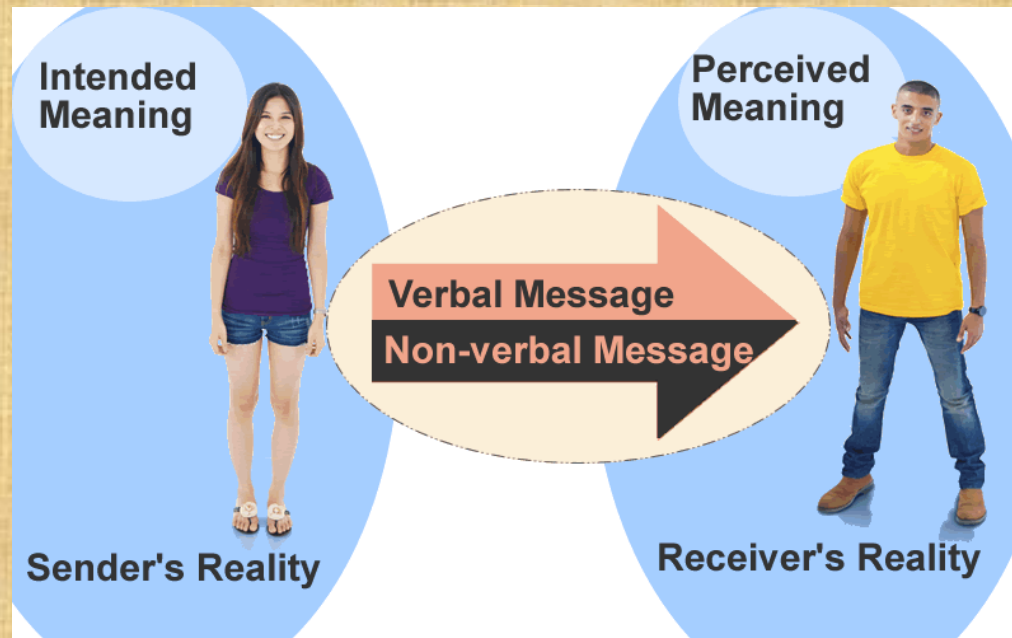
It is concerned with “making common” i.e. establishing the commonalities between organizations and consumers as probably the most important stakeholders.

Such is the essence of *communication*, which is not a mere exchange of messages but an effort towards making common (Zamaros).

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Marketing

It is about bridging the intended meaning and perceived meaning
(Hoecklin)

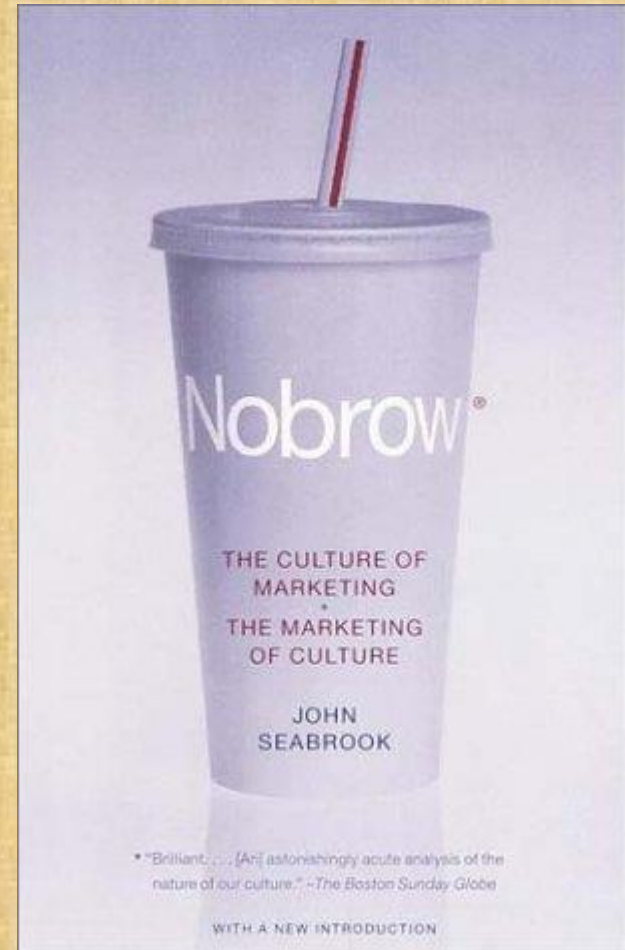


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Marketing

In making common, challenges include:

- Language and symbolic interpretation of products and messages
- Prevailing norms, rules and laws



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Marketing Readings

- <http://thebrazilbusiness.com/article/restrictions-to-advertising-in-brazil>
- [http://izismile.com/2010/08/31/ice cream advertisements that have been forbidden 4 pics.html](http://izismile.com/2010/08/31/ice-cream-advertisements-that-have-been-forbidden-4-pics.html)
- [http://ciruelo.uninorte.edu.co/pdf/pensamiento_gestion/18/7 E thnomarketing.pdf](http://ciruelo.uninorte.edu.co/pdf/pensamiento_gestion/18/7_Ethnomarketing.pdf)
- <http://www.thtconsulting.com/Articles/Anew%20paradigm%20for%20Marketing%20Across%20Cultures.pdf>

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Case studies

7.2

9.1

9.2

