

Lisi	of Tables and Figures	VVAI	
List of Mini Case Studies			
Author Biography Guided Tour			
Par	rt I Introduction	1	
1	Why Study Managing Across Cultures?	3	
	Why study the subject of managing across cultures?	3	
	This book: rationale, aims and structure	5	
	Rationale	5	
	Aims	6	
	Structure	6	
	How to use the book	7	
	Learning outcomes	8	
	Chapter review	8	
	References	9	
2	The Meaning and Importance of Managing Across Cultures	11	
	Emergence of managing across cultures	11	
	The triggers	11	
	Expatriates' failure to complete assignments abroad	12	
	Recession in the 1980s	12	
	Economic development of Japan and South-east Asia	13	
	Economic development of China and India	13	
	'Westernization' of Central and Eastern Europe	14	
	The drivers	14	
	Multinational companies	14	
	International competition	15	
	Regional economic integration	15	
	Technical changes and flow of information	16	
	Trade and financial services	16	
	Political and cultural influences	17	

	Western management education and the use of	
	English in business	17
	Reforms in developing countries	18
	The meaning of managing across cultures	18
	Managing local employees globally	21
	Building a global corporate culture	21
	Forward diffusion of knowledge and skills	22
	Managing global employees locally	23
	National norms and values	24
	National economic trends and organizational characteristics	25
	National institutions and legal systems	26
	Assessing and avoiding risks	27
	Reverse diffusion of knowledge and skills	28
	Summary	29
	Revision questions	30
	References	30
3	Contexts and the Cultural Dilemma of Managing Across Cultures	35
	Introduction	35
	The contexts of managing across cultures	36
	The global-international context	37
	Economic challenges	38
	Political challenges	38
	Legal challenges	39
	Technological challenges	39
	The local-national country context	40
	The political environment	40
	The legal environment	41
	The economic environment	41
	The organizational context	42
	The ethnocentric approach	43
	The polycentric approach	44
	The geocentric approach	44
	The regiocentric approach	45
	Organizational culture	46
	Is management a universal phenomenon?	47
	Convergence theory	47
	Divergence theory	49
	The cultural dilemma of managing across cultures	50
	Definitions of culture	51
	Dimensions of culture	52
	Kluckhohn and Strodtbeck (1961): cultural value	
	orientations	E 9

		Jontents	IX
	Geert Hofstede: cultural dimensions of societies Fons Trompenaars' (1993) Cultural Framework The Project GLOBE cultural framework (House et a Summary Revision questions References	al., 2004)	53 60 62 65 65
Par	rt I Case Study Bob Over the Globe - Chevron and Sa Introduction	udi Aramco	71 71
	The birth and growth of Saudi Aramco		72
	Chevron-Saudi Aramco interface		72
	The globalizing power of business versus the localizing	power	
	of culture in managing people internationally		73
	Questions		76
	References		76
Par	rt II Managing in Anglo-Saxon Countries		77
4	The US and Canada		79
	Introduction		79
	Contexts: economics, politics and culture		80
	Economics		80
	Politics		81
	Culture		81
	Labour market trends		82
	The services sector		83
	Unemployment		83
	Flexible working practices		83
	Job insecurity and high turnover		84
	Diversity		85
	Ageing working population		85
	Management and organization		86
	Strategic awareness		87
	Avoidance of trade unions		87
	Employee-employer agreements		89
	Managing diversity		90
	Managing human resources	1	91 91
	Recruitment and Selection		91
	Equal opportunities Graduate recruitment		91
	Selection		93
	Education, training and development		93
	Organizational training		94
	0		

X

	Business and management education	95
	Vocational education	96
	Rewards and remuneration	96
	Performance appraisal	96
	Performance-related pay and negotiated pay	97
	Minimum wage	97
	Employee relations	98
	Trade unions	98
	Collective bargaining	100
	Industrial action	101
	Settlement of industrial disputes	102
	Summary	102
	Revision questions	104
	References	104
5	The UK and Ireland	107
	Introduction	107
	Socio-economic and political context	108
	Economics	108
	Politics	109
	Culture	110
	Labour market trends	111
	Shortages of skilled labour	112
	Employment of women	112
	The older workforce	113
	Employment of migrant workers	114
	Flexible working practices	114
	The unemployment rate	115
	Management and organization	115
	Strategic integration	116
	Outsourcing	117
	Collective bargaining	117
	Pragmatism	118
	Flexibility and cost reductions	118
	Commitment to quality improvement	119
	International management orientation	120
	Managing human resources	120
	Recruitment and selection	120
	Recruitment	121
	Graduate recruitment	121
	Selection	123
	Training and development	123
	Apprenticeship training	124

	Со	ntents	xi
	Employee training and development		124
	Management education, training and development		125
	Vocational training		126
	Lifelong learning		127
	Investors in People (IP)		127
	Rewards and Remuneration		128
	Performance appraisal		129
	Performance-related pay		129
	Statutory minimum wage		130
	Wage inequalities		131
	Employee relations		131
	Trade unions		133
	Collective bargaining		135
	Strikes and industrial action		135
	Settlement of industrial disputes		136
	Employee involvement and participation		136
	Summary		137
	Revision questions		138
	References		138
6	Australia and New Zealand		145
	Introduction		145
	Contexts: economics, politics and culture		146
	Economics		146
	Politics		147
	Culture		147
	Labour market trends	1	148
	Employment of women	,	149
	Flexible working practices		149
	Employment of older people		150
	Employment of ethnic minorities		151
	Unemployment		151
	Management and organization		152
	HR and corporate strategy		152
	Reliance on legal experts		153
	Managing human resources		153
	Recruitment and selection	1	153
	Recruitment		154
	Graduate recruitment		154
	Selection		154
	Training and development		155
	On-the-job training and apprenticeships		156
	Off-the-job training and education		156

Organizational training	157
Rewards and remuneration	157
Centralized rewards system (rewards set by collective	
agreement)	158
Decentralized rewards system (rewards set by individual	l
arrangements)	158
The minimum wage	159
Employee relations	160
Trade union organization, membership and density	162
Collective bargaining	163
Industrial conflicts and strikes	165
Settlement of industrial disputes	165
Employee involvement and participation	166
Summary	167
Revision questions	167
References	168
Part II Case Study: 0/11 The Effects and Organizational Pear	2020 1 <i>7</i> 71
Part II Case Study 9/11 - The Effects and Organizational Resp. Introduction	
The impact of 9/11 on travelling and tourism	171 171
Dealing with and responding to the crisis	172
Redundancies - the common response to a crisis	172
Recruiting and retaining key employees	174
Training for possible attacks	175
Communication and crisis management plans	175
Conclusion	176
Questions	177
References	177
References	111
Part III Managing in South-East Asian Countries	179
7 Japan and South Korea	181
Introduction	183
Contexts: economics, politics and culture	182
Economics	182
Politics	183
Culture	184
Labour market trends	184
Low unemployment rates	185
Chaebol and zaibatsu	186
A hard-working, committed and loyal workforce	187
Female employment	187
Older working population	188

	Contents	 xiii
	From full-time employment to flexible employment	189
	Management and organization	190
	Quality improvement	190
	Consultation, communication and decision-making: the	200
	ringi system	191
	Paternalistic leadership	192
	Job security: from lifetime employment to employment	
	adjustment	192
	Managing human resources	193
	Recruitment and selection	193
	Recruitment	193
	Graduate recruitment	194
	Selection	194
	Training and development	195
	Company induction training	196
	On-the-job training and job rotation	197
	Enterprise-specific skills training	197
	Continuous training	198
	Self-development	198
	Management training and development	198
	Rewards and remuneration	200
	Minimum wage	200
	Seniority-based rewards	201
	Rewards and organizational size and sector	201
	Bonus systems	201
	Performance-related pay	202
	Promotion	203
	Employee relations	204
	Trade unions	204
	Enterprise unions	205
	Collective bargaining	206
	Industrial action	207
	The settlement of industrial disputes	209
	Summary	210
	Revision questions	210
	References	211
3	China and Hong Kong	215
	Introduction	215
	Contexts: economics, politics and culture	216
	Economics	216
	Politics	217
	Culture	218

xiv

	Labour market trends	219
	Skills shortages	220
	Rural-urban migration	221
	Joint ventures and foreign-owned companies	221
	Stratification and exploitation of the labour force	222
	Management and organization	223
	State- and party-orientated management	224
	Heavily regulated management	225
	Culturally determined management	226
	Western management	227
	Managing human resources	228
	Recruitment and selection	228
	From lifetime employment to labour contract assignments	229
	From centralized to decentralized recruitment	229
	From non-existent to more formalized recruitment and	
	selection methods	230
	Training and development	232
	Education and learning process	232
	Vocational training and education	234
	Organizational training	235
	Management education, training and development	235
	Management education on a wider scale	236
	Training as many managers as possible at home and abroad	236
	Supporting Chinese managers in learning from joint	
	ventures and foreign-owned companies	236
	Rewards and remuneration	237
	Minimum wage	238
	Performance appraisal and performance-related pay	239
	Employee relations	240
	Trade union composition and membership	240
	The role of trade unions	241
	The workers' congress	242
	Industrial action	243
	Settlement of industrial disputes	244
	Summary	244
	Revision questions	245
	References	245
9	Indonesia and Malaysia	249
	Introduction	249
	Contexts: economics, politics and culture	250
	Economics	250
	Politics	252

Contents	χv
Culture	253
Labour market trends	255
Unemployment rate	256
Employee turnover	256
Demand for skilled and professional labour	257
Employment of women and ethnic groups	257
Employment of immigrant workers	258
Management and organization	259
Regulated management	259
Paternalistic management	260
Integrated management	261
Quality-based management	261
Adopted management	261
Managing human resources	262
Recruitment and selection	262
Affirmative action	263
Word of mouth	263
Kinship recruitment	264
Need-based recruitment	264
Training and development	264
Education	264
Training	265
Rewards and remuneration	266
Minimum wage	267
Performance appraisal and performance-related pay	268
Employee relations	269
Trade unions	270
From state unions to company unions	272
Collective bargaining	273
Industrial action	274
The settlement of industrial disputes	275
Summary	275
Revision questions	276
References	276
Part III Case Study The 1997 Asian Financial Crisis	279
Introduction	279
Causes	279
The effects	280
Responses and recovery measures	281
Conclusion	283
Questions	284
References	284

xvi

Par	t IV	Managing in Western European Countries	285
10	Belg	ium and France	287
	Intro	oduction	287
	Con	texts: economics, politics and culture	288
	Ec	conomics	288
	Po	litics	289
	Cı	ulture	289
	Labo	our market trends	290
	\mathbf{U}_{1}	nemployment	291
	Fl	exible working practices	292
	Fe	male participation	293
	M	igrant labour	294
	O	der working population	295
	Man	agement and organization	296
		rmality and bureaucracy	296
	El	itism and intellect	297
	St	rategic awareness	298
	In	ternal partnership and empowerment of line managers	298
		aging human resources	298
		ecruitment and selection	299
		Recruitment	299
		Graduate recruitment	299
		Selection	300
	Tr	aining and development	300
		Education	301
		Vocational and employer-provided training	302
		Vocational training for young people	302
		Employer-provided training	303
	Re	ewards and remuneration	304
		Minimum wage	305
		Performance-related pay	305
	Eı	mployee relations	306
		Trade unions	306
		Trade union membership and density	307
		Collective bargaining	307
		Worker participation	308
		Industrial action	310
		Settlement of industrial disputes	310
	Sum	imary	313
		ision questions	312
		erences	312

		Contents	xvii
	Germany and the Netherlands		315
11	Introduction		315
	Contexts: economics, politics and culture		316
	Economics		316
	Politics		316
	Culture		317
	Labour market trends		318
	Unemployment		319
	Equal opportunities and diversity		320
	Older versus younger workers		321
	Immigrant workers		323
	Management and organization		323
	Integrated management		323
	Strategic management		323
	Participative management (co-determination)		324
	Managing human resources		325
	Recruitment and selection		325
	Recruitment		326
	Selection		327
	Training and development		327
	Education		328
	Vocational training		329
	Rewards and remuneration		331
	The minimum wage		332
	Allowances and benefits		333
	Performance-related pay		333
	Employee relations		334
	Trade unions		334
	Works councils		335
	Collective bargaining		338
	Industrial action		339
	Settlement of industrial disputes		340
	Summary		341
	Revision questions		342
	References		342
12	Denmark, Norway and Sweden	;	345
	Introduction		345
	Contexts: economics, politics and culture		346
	Economics		346
	Politics		347
	Culture		347

xviii | Contents

	Labour market trends	348
	Unemployment	349
	Female participation	350
	Flexible working	351
	Migrant labour	352
	Management and organization	353
	Social partnership	353
	Egalitarianism and consensus	354
	Empowerment of line managers	354
	Industrial democracy	354
	Managing human resources	355
	Recruitment and selection	356
	Recruitment	356
	Selection	356
	Training and development	357
	Education	357
	Vocational training	357
	Organizational training	358
	Life-long learning	358
	Rewards and remuneration	359
	Performance-related pay	360
	Employee relations	360
	Trade unions	361
	Trade union membership	363
	Collective bargaining	363
	Industrial action	364
	Settlement of industrial disputes	365
	Summary	366
	Revision questions	366
	References	367
13	Greece, Italy and Spain	369
	Introduction	369
	Contexts: economics, politics and culture	370
	Economics	370
	Politics	370
	Culture	372
	Labour market trends	372
	Unemployment	373
	Temporary employment	374
	Flexible working practices	375
	Immigrant labour	376
	Management and organization	377

Conte	nts xix
	'
Ownership and management practice	377
Internationalized management	377
Managing human resources	378
Recruitment and selection	379
Recruitment	379
Graduate recruitment	380
Selection	380
Training and development	381
Education	381
Vocational training	383
Organizational training	383
Rewards and remuneration	384
The minimum wage	384
Performance appraisal and performance-related pay	385
Employee relations	385
Trade unions	386
Trade union membership and density	387
Collective bargaining	388
Industrial action	390
Settlement of industrial disputes	391
Summary	392
Revision questions	392
References	393
Post IV Coop Studen EU Enlanguage and its Invalidations (see	
Part IV Case Study EU Enlargement and its Implications for	205
Work and Employment	395
Introduction	395
The transitional clause	396
Drivers of immigration	397
Implications and responses	398
Questions	400
References	400
Part V Managing in Developing Countries	403
14 African Countries	405
Introduction	405
Contexts: economics, politics, and culture	406
Economics	406
Politics	408
Culture	409
Labour market trends	410
High unemployment	410

Culture

	Declining public sector employment	41
	Growth of informal sector employment	412
	Low participation of women in formal employment	412
	Child labour and illegal employment practices	412
	Effects of HIV and AIDS on employment	413
	Migration of skilled and professional labour	414
	Shortages of skilled and educated labour	415
	Management and organization	416
	Centralization of decision-making	416
	Public sector management and bureaucracy	417
	Politicization of management practices	418
	Ubuntu management	418
	Managing human resources	420
	Recruitment and selection	420
	Training and development	422
	Inadequate education systems	422
	Inappropriate education and training programmes	422
	Inefficient management of education and training bodies	
	and institutions	423
	Insufficient organizational training	423
	The influence of culture on training	424
	Rewards and remuneration	425
	Minimum wage	425
	From seniority to merit-based pay	426
	Performance appraisal	426
	Supplementary pay	427
	Promotion by decree	427
	Informal welfare system	427
	Employee relations	428
	Trade unions	429
	Collective bargaining	430
	Industrial action	431
	Settlement of industrial disputes	431
	Summary	432
	Revision questions	433
	References	434
15	Arab Countries	437
	Introduction	437
	Contexts: economics, politics and culture	438
	Economics	438
	Politics	442

442

	Contents xxi
Labour market trends	443
Uneven composition and distribution of labour	443
Unemployment and youth unemployment	444
From foreign to national labour employment: localiza	
Public versus private sector employment	446
Foreign investment	447
Female employment	448
Child labour and illegal employment practices	449
Immigration of skilled and professional labour	449
Management and organization	449
Inherited management policies and practices	450
Authoritarianism	450
Paternalism	451
Centralization of decision-making	451
Politically oriented management	451
Bureaucracy	452
Adopted management policies and practices	452
Adopted socialist management systems	452
Adopted capitalist management systems	452
Factors conditioning management and organization	
in Arab countries	453
Traditional norms and values	453
Islamic values and principles	456
Managing human resources	461
Recruitment and selection	461
Recruitment	461
Selection	462
Training and development	463
Vocational training	464
Organizational training	464
Management development	464
Rewards and remuneration	465
Seniority-based pay	465
Nationality-based pay	466
Pay for goodwill	466
Performance appraisal	467
Performance-related pay	467
Employee relations	468
Trade unions	468
Collective bargaining	469
Industrial action	469
Settlement of industrial disputes	469

xxii | Contents

	Summary	470
	Revision questions	470
	References	471
16	India	475
	Introduction	475
	Contexts: economics, politics and culture	476
	Economics	476
	Politics	477
	Culture	477
	Labour Market Trends	479
	Unemployment	479
	Agricultural employment	479
	Increasing employment in IT	480
	Employment and foreign direct investment	480
	Informal sector employment	481
	Female participation in the labour market	481
	Child labour and illegal employment practices	482
	Skill shortages	483
	Management and organization	483
	Authoritative and paternalistic management	484
	Integrated and international management	485
	Managing human resources	486
	Recruitment and selection	487
	Recruitment	487
	Selection	487
	Graduate recruitment	488
	Training and development	489
	Education and learning	489
	Vocational education and training	490
	Organizational training	490
	Rewards and remuneration	490
	Basic pay, benefits and allowances	491
	Performance appraisal and performance-related pay	491
	Employee relations	492
	Trade unions	492
	Collective bargaining	493
	Industrial action	494
	Settlement of industrial disputes	494
	Summary	495
	Revision questions	495
	References	496

		Contents	xxiii
	Quetral and Eastern Furane		501
17			501
	Introduction Contexts: economics, politics and culture		501
	Economics		502
	Politics		504
	Culture		505
	Labour market trends		506
	From state-owned large companies to privately		300
	owned small and medium size enterprises		507
	Company closures, downsizing and mass redundancie	se.	508
	A well-qualified and skilled workforce	.5	508
	Female employment		509
	Flexible working		510
	Management and organization		511
	Authoritarian management		512
	Experimental management		512
	Initiative management		513
	Managing human resources		514
	Recruitment and selection		515
	Too many applicants to choose from		516
	Applicants in high demand		516
	Applicants by recommendation		516
	Training and development		517
	Organizational training		517
	Rewards and remuneration		519
	Limited use of performance-related pay		519
	Rewards based on managerial judgements	1	519
	Rising wage inequalities		520
	Employee relations		520
	Trade unions		521
	Collective bargaining		522
	Industrial action		523
	The settlement of industrial disputes		524
	Summary		524
	Revision questions		525
	References		525
		1	
18	South America		529
	Introduction		529
	Contexts: economics, politics and culture		531
	Economics		531
	Politics		532
	Culture		532

xxiv | Contents

Labour market trends	533
Unemployment	534
Agricultural employment	535
Declining public sector employment	536
Informal sector employment	536
Self-employment	537
Temporary, seasonal and short-term employment	537
Multinationals and employment	538
Increasing employment of women	539
Child labour	539
Labour migration	540
Management and organization	540
Person-centred approach	540
Authoritarian management	541
Centralized approach	541
Procedural formality and formal behaviour	542
Paternalism	542
Face-to-face communication	543
Managing human resources	543
Recruitment and selection	543
Recruitment	544
Selection	544
Training and development	545
Organizational training	545
Apprenticeships	546
Vocational training	546
Management education and training	547
Rewards and remuneration	548
Minimum wage	548
Rewards and the family	549
Pay inequalities	549
Limited employment benefits	550
Performance appraisal	550
Employee relations	550
Trade unions	551
Collective bargaining	552
Industrial action	552
Settlement of industrial disputes	553
Summary	553
Revision questions	554
References	55/

	C	ontents	xxv
_	t V Case Study Making Poverty History		557
Par	t V Case Study Making Poverty History Introduction		557
	Aid, trade and security		558
	The need for sustainable and developmental aid progr	ammes	559
	The need for fair international trade and more		
	foreign direct investment		559
	The need for peace, equality and justice		560
	Management and organization		561
	Conclusion		562
	Questions		562
	References		562
Par	t VI Conclusion		563
19	Emerging Issues and Future Challenges in Managing		
	Across Cultures		565
	Introduction		565
	Managing diversity		566
	Managing equality		568
	Employment of women		569
	Employment of ethnic minorities		571
	Employment of older people		571
	The need for international equal opportunities policies	3	571
	Managing flexibility		572
	Flexible working practices		573
	Family-friendly policies		574
	Ethics in managing across cultures	ı	576
	Managing information technologies		577
	Managing environmental awareness and employee well-	being	579
	Summary		580
	Revision questions		580
	References		581
Glos	ssary		585
Inde	2X		599