



**Executive Summary:**

Every organization aspires to be a learning organization. Practically any IT organization is a global organization today in many ways and it turns out to be a diversified company in many ways too. Social Community/Political factors, Ambitions, ethics of key executives and Shared values/ company culture (which are directly a function of cultural values) have a direct impact on a company’s strategic direction. This paper explains the importance of cultural literacy for a global IT manager. It also gives some tips and examples of cultural contrasts to illustrate the diversity in cultures in a global organization.

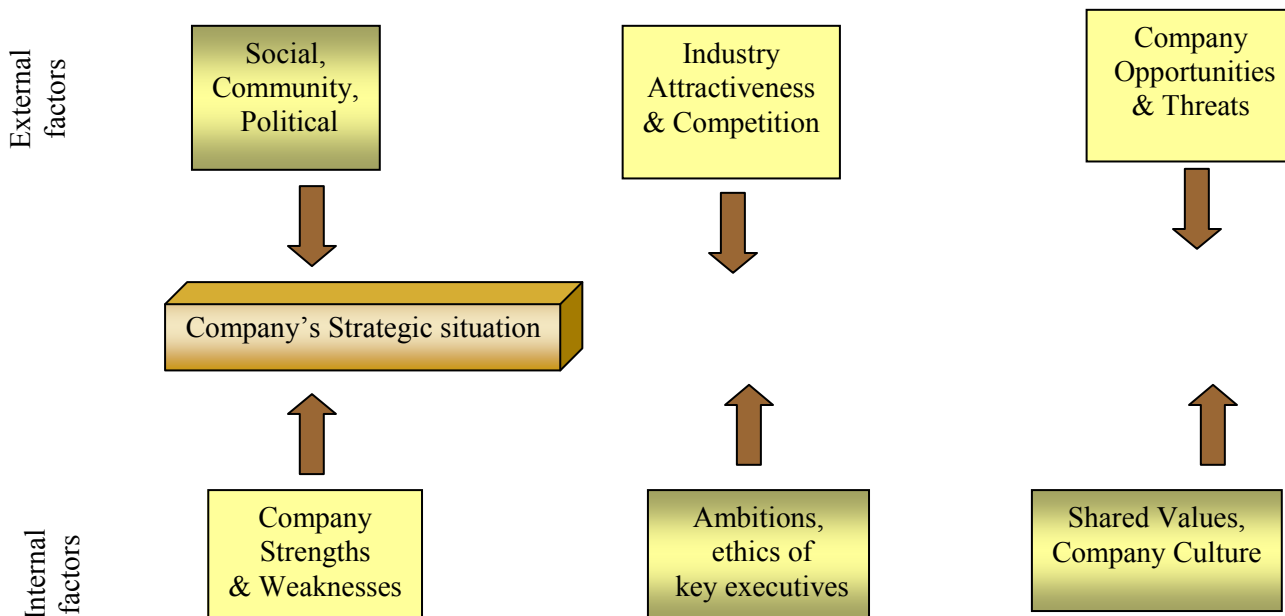
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Practically any IT organization is a global organization today in many ways and it turns out to be a diversified company in many ways too.

“Learning Organizations, where people **continually** expand their capacity to create the results they **truly** desire, where **new** and expansive patterns of **thinking** are nurtured, where **collective aspiration** is set free, and where people are continually learning **to see the whole** together.” - **Peter Senge**. Every organization aspires to be a learning organization.

Strategy of a diversified company:

Social Community/Political factors, Ambitions, ethics of key executives and Shared values/ company culture (which are directly a function of cultural values) have a direct impact on a company’s strategic direction.



In macroeconomic theory, there are four classes of inputs into an aggregate economy: land, labor, capital and entrepreneurship or managerial ability. Capital consists of all physical inputs, such as buildings and equipments, which are combined with the other three resources to produce the output of the economy. The basic concept has been used in economics for many years and is still taught today; however, the concept of exactly what constitutes capital has changed over the years. Along the way, name of labor input was changed to human capital. In this context, investment in human capital yields dividends in the form of economic expansion and growth. Managerial ability depends on the ingenuity of humans. Better-educated managers lead to better decisions.

It becomes highly important for a global IT manager to understand diversity in cultures in order to make his decisions effective in his/her day-to-day work. Cultures@work sounds like a traffic sign for an executive driving up the corporate road. And actually it plays the same role too.

As Wendy Hall defined it in “Making strategic relationships work”, a definition of culture consists of two parts. First is the ‘ingredients’ component. This dimension is concerned with the way culture manifests itself viz. Artifacts, Behaviors and Core values. The second part of the definition is the ‘segments’ component. This dimension is concerned with the group of individuals involved. It can be nations, companies, regions etc.

Achieving “cultural synergy” is far more than accepting the differences.

Racial identity theory was first developed in the 1970s. Then the theories of minority, of color were developed. Since 1960s, formal investigations have been conducted into the behavior patters of individuals. “There is no question about it: People’s behaviors is difficult to understand. However, the social style model helps us to see that within a person’s seemingly haphazard behavior there is far more order than most people suspect. Much behavior is habitual and fairly predictable” (Bolton & Bolton, 1984).

Organizational culture is shaped and supported by the power holders of the organization. These individuals influence the values, assumptions and ideologies of the organization’s culture. Decision makers use ethnocentric perspectives to define and develop criteria for successful performance

Every organization today needs to be a home of scholarly endeavor and new knowledge. It should value the concept of academic freedom and thereby the assurance that conflicting ideas and concepts are welcomed and debated. This should be used to build a productive culture within the organization. Any organization that will be benefited by attracting the best talent from different cultural backgrounds may require to keep reviewing its institutional capacity to address cultural differences.



At our core, we are a technology company. So, in the demand for ‘balancing work and life’ for team members, technology leaders or decision makers have to code the right “software” in the form of cultural values to make the maximum use of “hardware” of supreme quality which they have in form of teams.

**Cultural literacy of a global business manager:**

Local cultural issues play a vital role in designing a global business strategy. Sometimes cultural considerations form a basis of starting the company itself. Nike Inc was built on the basis of fact that around the world, people of all cultures are increasing their participation in fitness activities.

Today’s IT manager has to be an effective international negotiator.

In order of importance, the major obstacles to effective international negotiation are Miscommunication due to language

Time limitations

Cultural differences

Limited authority of international negotiator

Characteristics of an effective international negotiator were found to be:

- Patience
- Knowledge of contract agreement
- An honest and polite attitude
- Familiarity with foreign cultures and customs

A global IT manager needs to enhance his job skills with many small finely tuned multicultural skills. Just to give an example about cross cultural telephone tips: It is very likely while talking to your Japanese contact on the phone he or she may suddenly become quiet. The periods of silence are meant to sense the thoughts and feelings of others. In other cultures, periods of silence during social interaction are very uncomfortable situation. Americans would tend to interrupt the silence with self-disclosure or arguments to press for a response.

In American culture, when you say “Yes”, you are indicating that you agree with something or accept the previous statement. When talking with the Japanese, they often use the word “Hai” which translates to “yes”. It does not mean they agree with you, however only that they understand the point you are making.

There are many interesting observations, which will help a global business manager in his daily job.



Cultural contrasts during multicultural meetings:

	<i>American</i>	<i>Japanese</i>	<i>Arab</i>
<b>Cultural objective</b>	Formulate plan of action	Seek information, no conclusion	Build rapport and establish trust base
<b>Opening</b>	Direct to objective	Identification of seniority, period of silence for harmony	An introductory period to warm up- expression of hospitality
<b>Participation</b>	Expected from all	Led by seniors, more listening	By seniority
<b>Use of language</b>	To the point, direct	Indirect, Yes/No	Flattering, looping
<b>Spatial orientation</b>	Opposite, across the table	Circle, pre-arranged	Status and age
<b>Decision making</b>	Fact based, risk taking	Information based, group consensus	Intuition, religious background

Some of tips for meetings with business partners across countries:

<b>Korea</b>	<b>Indonesia</b>	<b>Malaysia</b>	<b>Thailand</b>
Arrange seating by seniority	Create an informal atmosphere	Expect the chairman to be tardy	Thais expect directions, provide a leader
Avoid asking about family	Relationships, group harmony are more important during negotiations than product prices or technology	Repeat lunch/dinner invitations twice	Avoid making physical contacts
Allow everyone to present ideas	Don't ask seniors direct questions	Make meetings more ceremonial	Give them a direct invitation to speak

Reference:

- The fifth discipline by Peter Senge
- Competitive advantage by Michael Porter
- Creating the multicultural organization by Cox, Taylor
- The organization of the future by Hesselbein & Goldsmith
- Managing cultural differences by Harris, Philip R
- Crafting and implementing strategy by Thompson & Strickland