

# Guest Lecture Introduction to cross-cultural (entrepreneurial) competency.



Dr. Rupert Beinhauer

November 2021 | Graz

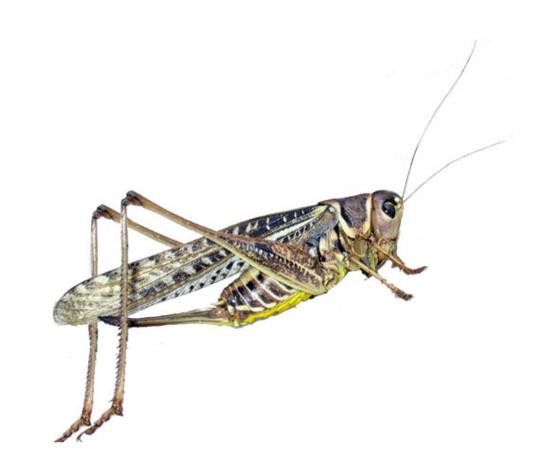
#### Lecturer



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#### Introduction



### **Concepts of Culture**

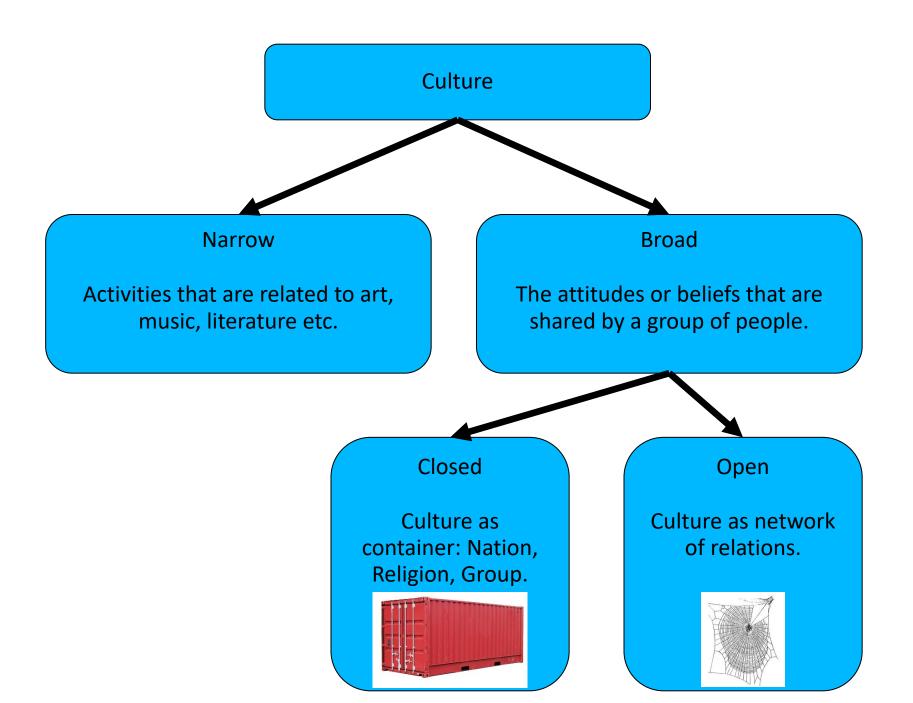


Culture is compare to a lot of different things: Like an iceberg it has a part easily visible and a part which is normally hidden from view. Like an onion it has different layers; and like a lily it is firmly rooted at the bottom of the pond, while the leaves and the flowers are drifting with the current...

#### **Notre Dame?**



When the cathedral burned, many French went to the streets of Paris, many of them fighting tears, singing and praying together. Why was the event that important?





#### VW culture?



Our materials expertise enables us to bring a positive influence to bear on important product characteristics such as weight, quality, safety, new functions and costs, thereby differentiating ourselves from our competitors.

"The Volkswagen Supervisory Board consulted intensively on the current situation at its meeting on Friday, September 25th. There is absolutely no excuse for the manipulations which have deeply shocked Volkswagen. The company will leave no stone unturned in getting to the bottom of this, will call those responsible to account, and take the necessary actions"

On 29 September 2015, Volkswagen announced plans to refit up to 11 million vehicles affected by the emissions violations scandal.

May 2020: The landmark ruling by the Federal Court of Justice: VW is sentenced in the highest judicial instance in Germany. The plaintiff receives the purchase price back minus compensation for use.

#### VW culture? Consequences.

"We've totally screwed up," said VW America boss Michael Horn, while the group's chief executive at the time, Martin Winterkorn, said his company had "broken the trust of our customers and the public". Mr Winterkorn resigned as a direct result of the scandal and was replaced by Matthias Mueller, the former boss of Porsche.

"My most urgent task is to win back trust for the Volkswagen Group - by leaving no stone unturned,"

Mr Mueller said on taking up his new post.

With VW recalling millions of cars worldwide from early next year, it has set aside €6.7bn (£4.8bn) to cover costs. That resulted in the company posting its first quarterly loss for 15 years of €2.5bn in late October

The cultural scientist Klaus Peter Hansen has in this context defined the terms "Polycollectivity" and "Multicollectivity":

Cultures (e.g. groups, enterprises, ethnicities, national states) are composed of a variety of collectives (subcultures) and may be referred to as polycollective.

Individual actors are characterized by being influenced by and/or being active in a variety of cultures. This is called multicollectivity.

Polycollectivity (Western) Youth Subcultures



#### Zooming In

2<sup>nd</sup> Screen of Websites of Ford in Germany, Thailand and US in September 2021

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#### FORD FIESTA

NEFZ Kraftstoffverbrauch:

n.v. 3

CO2-Emissionen:

n.v. 3

WLTP

Kraftstoffverbrauch (kombiniert):

6.1 L/100 km 3

CO2-Emissionen

(kombiniert): 139 g/km <sup>3</sup>

Nur noch als

Lagerfahrzeug verfügbar



#### FORD TOURNEO COURIER

NEFZ

Kraftstoffverbrauch (kombiniert):

4,2 l/100 km <sup>3</sup>

CO2-Emissionen (kombiniert):

110 g/km <sup>3</sup>

WLTP

Kraftstoffverbrauch (kombiniert):

5.0 L/100 km <sup>3</sup>

CO2-Emissionen

(kombiniert): 131 g/km <sup>3</sup>

Nur noch als Lagerfahrzeug verfügbar



#### FORD ECOSPORT



Kraftstoffverbrauch:

FORD PUMA

n.v. 3

CO2-Emissionen:

n.v. 3

WLTP

Kraftstoffverbrauch (kombiniert):

6.4 I/100 km <sup>3</sup>

CO2-Emissionen (kombiniert): 145 g/km <sup>3</sup>



#### FORD FOCUS

NEFZ

Kraftstoffverbrauch:

n.v. 3

CO2-Emissionen:

n.v. 3

WLTP

Kraftstoffverbrauch (kombiniert):

6.1 L/100 km <sup>3</sup>

6,1 1/100 km 3

CO2-Emissionen (kombiniert): 138 g/km <sup>3</sup>

Nur noch als

Lagerfahrzeug verfügbar



#### FORD TOURNEO CONNECT

NEFZ

Kraftstoffverbrauch (kombiniert):

5.11/100 km <sup>3</sup>

CO2-Emissionen (kombiniert):

134 g/km <sup>3</sup>

WLTP

Kraftstoffverbrauch (kombiniert):

6.4 l/100 km 3

CO2-Emissionen (kombiniert): 168 g/km

(





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# Importance of Perception Jürgen Bolten

#### Importance of perception

Numerous attempts of international companies in international marketing, have failed because culture-specific habits, tastes and forms of perception have not been sufficiently taken into account.

Even the "Global Brands" are not "world" brands with universal standards. A softener such as "Lenor" contains country-specific odorants, and the "Nescafe" in Italy is, for example, roasted much sharper than the one in England.





#### Importance of perception

As part of our socialization, which we receive in the parental home, at school or in the workplace we learn explicit statements for perceptible entities ("this is a horse"). These are then stored as knowledge and can be used again.

We do not only work with these explicit statements, but **construct meaning** by analogies, which we form from what is already known to us.



e.g.:

A small child, never having seen one before might consider a Zebra to be a horse, well knowing that something is different.

This might constitute a good starting point for learning about the Zebra.

The McColl School of Business
Graduate Business Alumni Association
Presents...

### Heidi Miller

Named the second most powerful woman in American business by FORTUNE Magazine in 1999, Ms. Miller has served as Senior Executive Vice President and CFO of priceline.com and Executive Vice President and CFO of Citigroup Inc.

Currently, she is serving as Vice Chairman of Marsh, Inc.

THURSDAY, APRIL 12, 2001
6:00 P.M.
ACCENTURE AUDITORIUM
JOHN H. SYKES LEARNING CENTER

Tickets: \$12 General Public, \$10 Alumni
For more information, contact: Susan Cameron, Director of External Relations
Phone: 704-337-2256 Email: camerons@queens.edu

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#### Importance of perception

Perception takes place on the basis of experience and expectation as hypothesis-guided search, in the course of which reality is not photographed, as with a camera, but rather constructed:

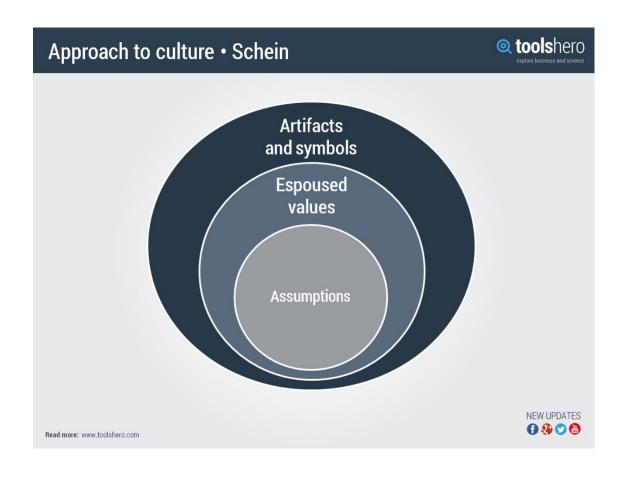
Incoming Data is compared with existing schemes and meaning is assigned accordingly. Although this assignment practice one hand ensures constant refinement of the schemes, it always remains interpretative and therefore subjective.

Because of the basic demands for normality, reasonableness and orderliness of impressions our perception processes are necessarily imprecise or "unjust".

# Three Layers of Culture Edgar Schein

### **Edgar Schein**

According to Scheins model of cross-cultural management organizational culture is divided in three levels.



#### **Definitions of Culture**

**Edgar Schein** defines culture as:

'a set of basic assumptions – shared solutions to universal problems of external adaptation (how to survive) and internal integration (how to stay together) - which have evolved over time and are handed down from one generation to the next'

(Schein, 2004, p.4)

# Assumptions about external adaptation issues

- Mission, strategy and goals: Why are we all here in this organisation? What are we collectively trying to achieve?
- Goals derived from mission: What goals do we set as part of trying to realise that mission?
- Measuring results and correction mechanisms: How will we know if we achieve those goals?
- Remedial and repair strategies: What do we do if something breaks or does not go as planned?
- Means to achieve goals (structure, systems, processes): How do we go about realising our goals?

# Assumptions about managing internal integration

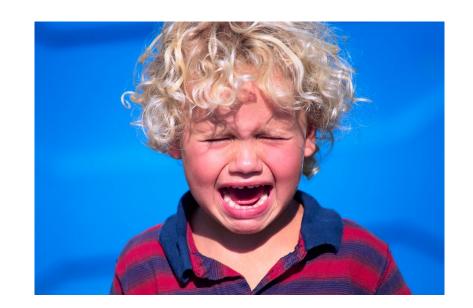
- Common language and conceptual categories: What are the common ways we use to refer to things?
- Group boundaries and identity: How do we respect each other's and the collective group boundaries?
- Rewards and punishments: How do we reward desirable behavior and punish behavior deemed unacceptable?
- Rules for relationships: What are the rules for how we interact with each other and with those outside of the group?
- Power, authority and status: How do we determine what gets done and who has the right to change direction?

### **Value Orientation Theory**

# Example: The grocery store theory.

You are in a grocery store. It's the end of the afternoon and several people are lining up in front of the cashier. You are fourth in line. In front of you stands a parent with a young child. The boy is approximately five years old. All of a sudden he gets into hysterics. You understand from his cries that he wants a chocolate bar.

Immediately the atmosphere in the shop is changing. Each client exchanges amused looks and smiles. All but one: the parent.



Wake-up Question:

Now imagine you are the parent. What are your options?

#### The grocery store theory - Options

- To buy the chocolate bar?
- To ignore the child?
- To spank the boy?
- To leave the shop?
- Any others?

All options are possible but depending on our upbringing, personalities and also our culture we favour different ones.

## The grocery store theory

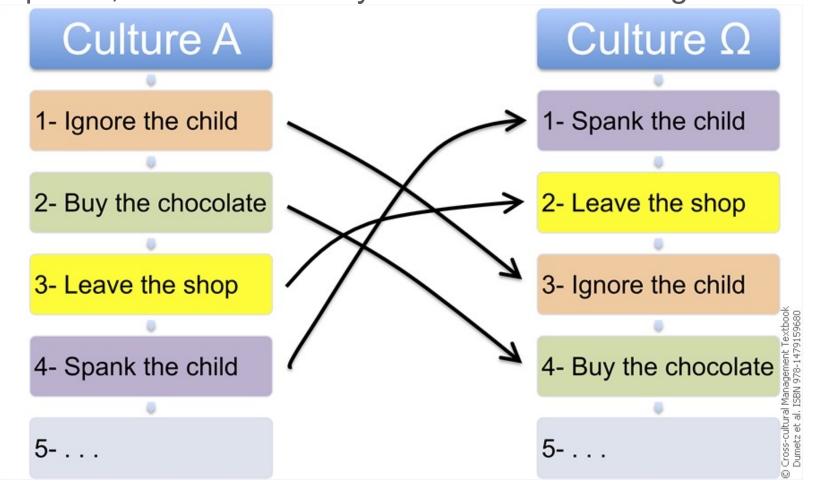
Actually all the options are possible. However, ask around and most people will confirm the second assumption of Kluckholm and Strodtbeck: that in fact, a limited number of options is *really* available.

Availability heuristics: We usually choose our solution from the most easily accessible ones.

Now imagine the grocery store being located in another country...

# The grocery store theory

A mother might shock the clients in a foreign grocery store by ignoring the cries. Not because people have different options, but because they have different rankings in mind.



#### **Taboo**

Originally a Taboo was often connected to religion, it has been more generalized in the intercultural context. A Taboo is something forbidden. It can be a place, a word, a gesture, an activity...

#### Examples

- Symbols (the swastika in Germany and Austria)
- Characters (He-Who-Must-Not-Be-Named in Harry Potter)
- Words (any considered vulgar)
- Norms (nudity in most countries)
- Rituals (animal sacrifice in Western countries)

. . . .

### Stereotypes and Prejudice

A stereotype is a cut-and-tried opinion. It is the result of a categorization that guides our behaviour, particularly with regard to a given group or population.

Stereotypes are usually negative (called prejudice) but may also be positive. They can be helpful as starting point in new situations, but are usually hindering cooperation.





#### Culture and Nation

While it is tempting to equate nationality with culture (e.g. national boundaries with cultural territory), it is potentially misleading, overly simplistic and limiting.

Culture should might be better understood as a dynamic process that often cuts across national borders or is not meaningfully described in geographic terms.

