

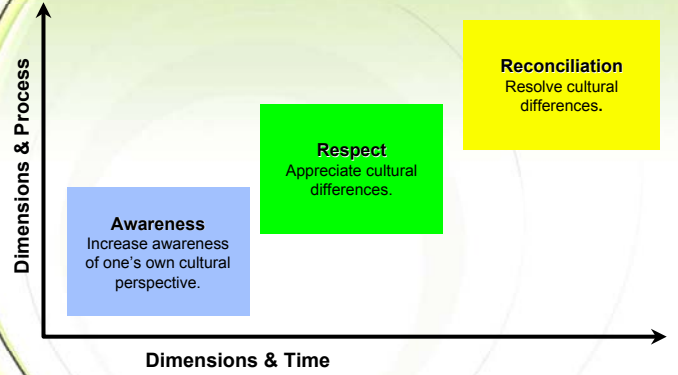


Managing Diversity in Global Business

Fons Trompenaars
Managing Director THT



Three Step Approach



Our new unified meta-theory of Competence

Whereas Middle Managers make decisions on **issues**
High performing leaders and international managers continually **reconcile dilemmas**

Transcultural Competence = the propensity to reconcile seemingly opposing values ✓



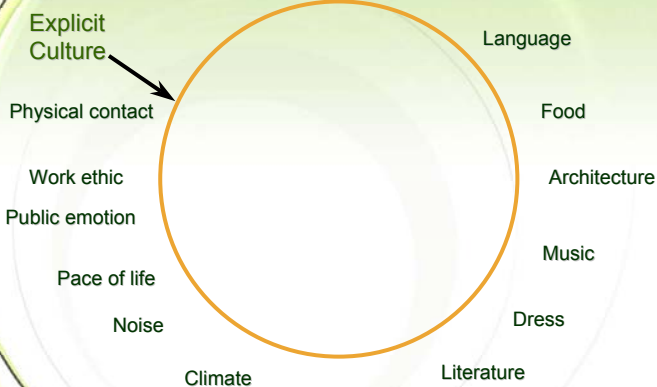
Cultural Differences affect business in many different ways



How would you define Culture ?



A model of culture



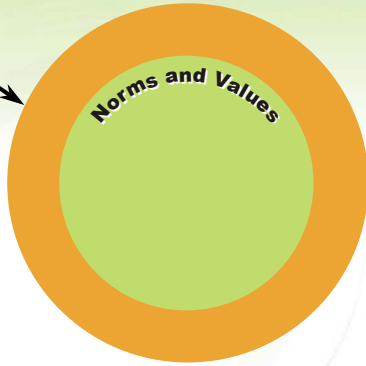
A model of culture



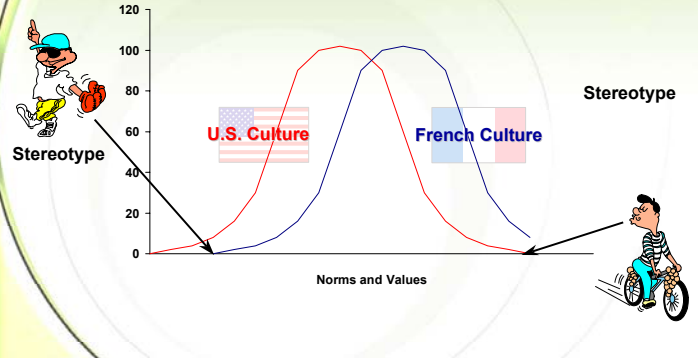


A model of culture

Explicit Culture



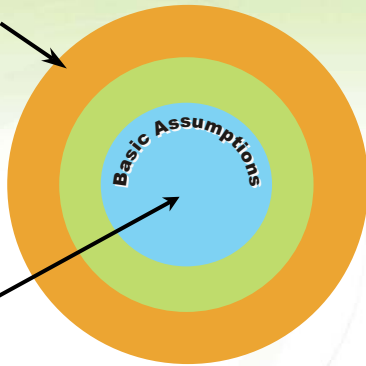
Culture as a Normal Distribution



A model of culture

Explicit Culture

Implicit Culture



Culture

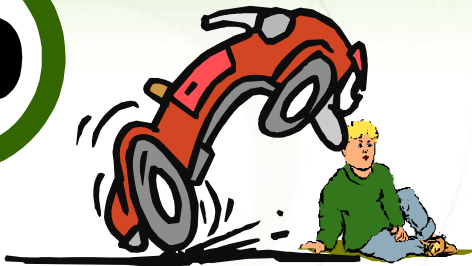
is a dynamic process of solving human problems/dilemmas in the areas of:

- Human relationships
- Time
- Nature



Your friend hits a pedestrian

30



What right has your friend?

- My friend has a definite right as a friend to expect me to testify to the lower figure.
- He has some right as a friend to expect me to testify to the lower figure.
- He has no right as a friend to expect me to testify to the lower figure.





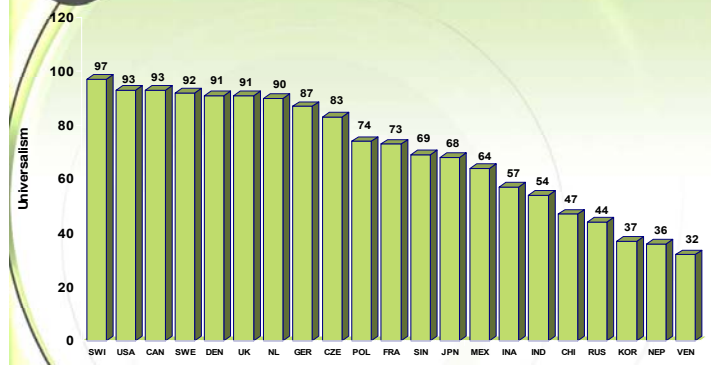
Human relationships

- Universalism versus Particularism
- Individualism versus Communitarianism
- Neutral versus Affective Relationships
- Specific versus Diffuse Relationships
- Achievement versus Ascription



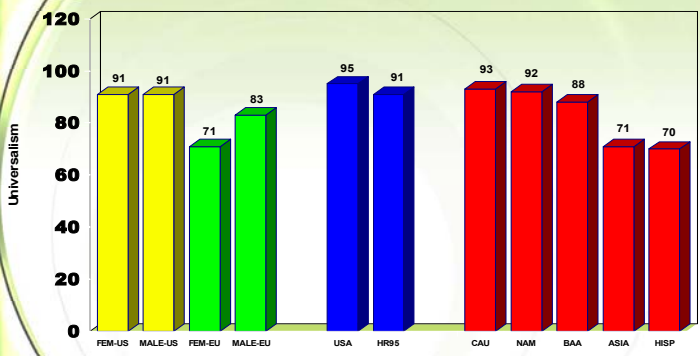
Universalism versus Particularism

'friend has noisome right and would not help'



Universalism versus Particularism

'friend has noisome right and would not help'



Dilemma Reconciliation

Case Study:

Copyright
or
Right to Copy?



Seoul, April 12, 1996

ATTN: Dr. Fons Trompenaars
RE: The Letter of Appreciation

Dear Dr. Trompenaars;

I am very sorry for sending this letter of appreciation to you late.

We are very pleased to let you know that your book *'Riding the Waves of Culture'* has been successfully translated in Korean and it gives us big help for developing, our Group's Globalization.

It is our great honor and thank you for letting us have an opportunity to use your masterpiece.

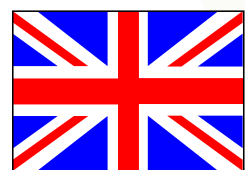
Sincerely yours.

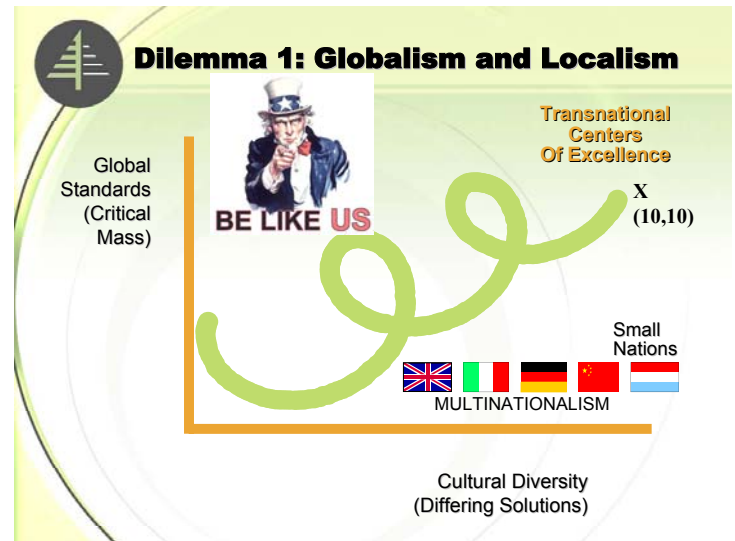
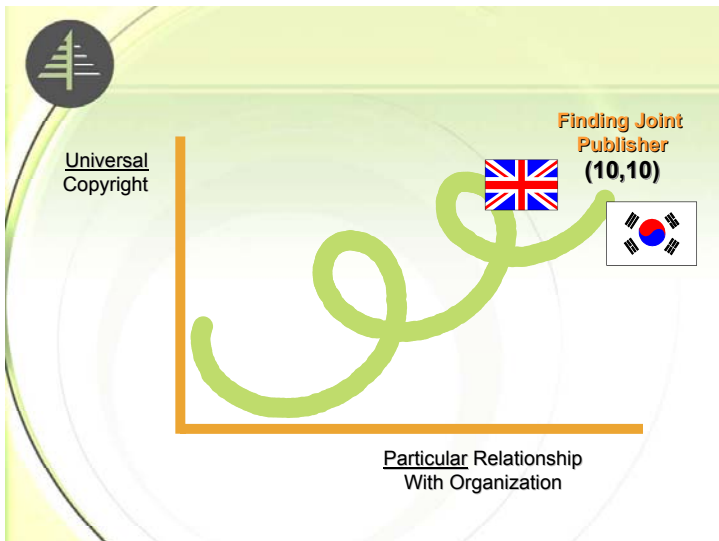
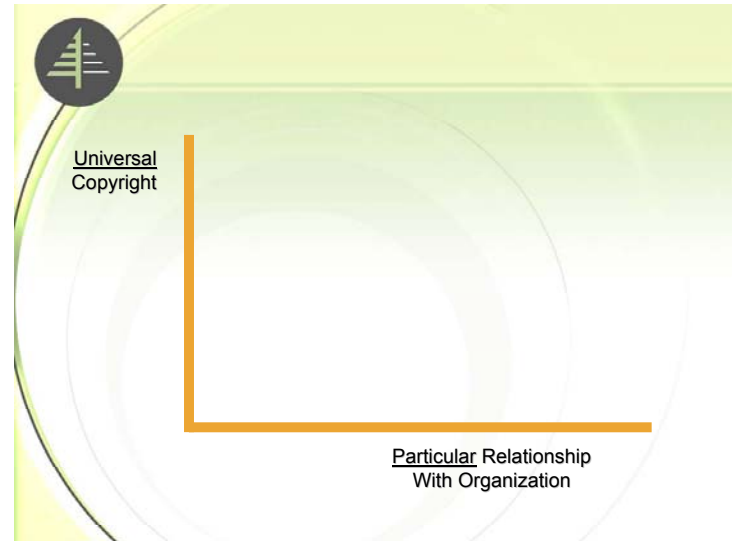
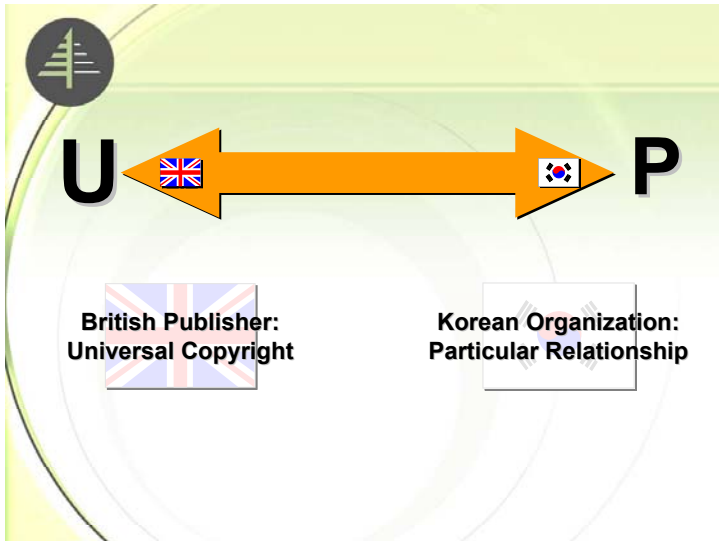
Mr. Jae Ho Park
Executive Director
GLOBAL MANAGENT INSTITUTE



Culture Clash

British Publisher =
Universal Copyright





Leadership of the 21st Century

Main challenges:

- Mass-Customization

Human Relationships

- Universalism versus Particularism
- Individualism versus Communitarianism
- Neutral versus Affective Relationships
- Specific versus Diffuse Relationships
- Achievement versus Ascription



Individualism versus Communitarianism

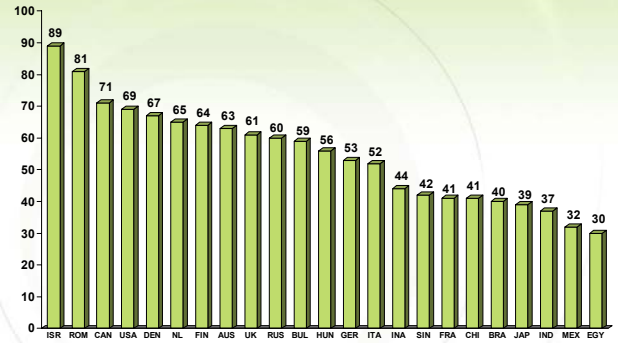


- One Said:
'It is obvious that if one has as much freedom as possible and the maximum opportunity to develop oneself, the quality of one's life would improve as a result.'

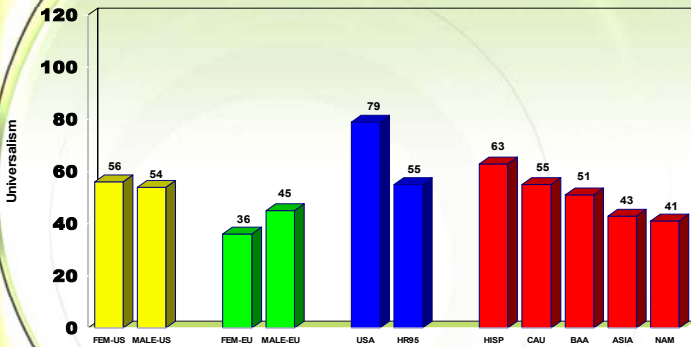
- Another said:
'If the individual is continuously taking care of his or her fellows then the quality of life for us all will improve, even if it obstructs individual freedom and individual development.'



Individualism versus Communitarianism % OPTING FOR INDIVIDUAL FREEDOM



Individualism versus Communitarianism *'opting for individual freedom'*



Dilemma Reconciliation

Case Study:

From Invention to Innovation



Culture Clash

Dutch Research Site:

*Individual
motivation*



Japanese Colleagues:

*Communitarian
motivation*



Options

- Adopt his own values only
- Abandon his values
- Compromise his values
- Reconcile opposing values





Reward Teams for Individual Creativity

Individual Motivation

(10,10)

And

Reward Individuals for Team Work

Team Motivation



Leadership of the 21st Century

Main challenges:

- Mass-Customization
- Co-Opetition



Human relationships

- Universalism versus Particularism
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Neutral Versus Effective

In cases where I am upset at work I am inclined to express it openly.

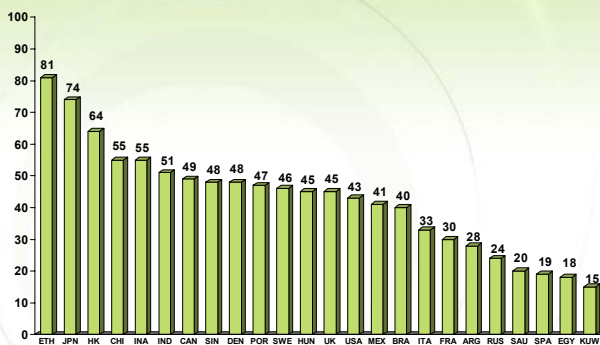
Please select your position on the statement above:

- Strongly agree
- Agree
- Be undecided
- Disagree
- Strongly disagree



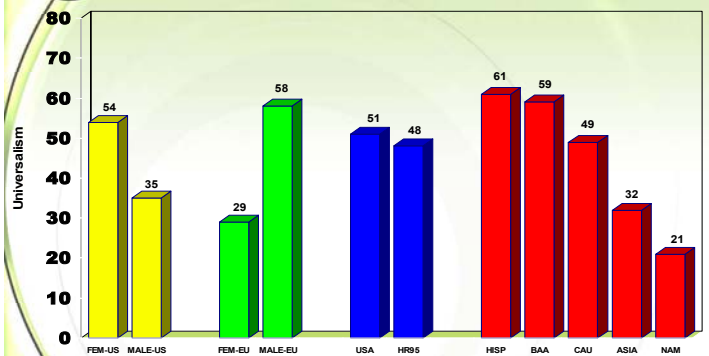
Neutral versus Affective

% OF RESPONDENTS NOT OPENLY EXPRESSING UPSET AT WORK



Neutral versus Affective

% OF RESPONDENTS NOT OPENLY EXPRESSING UPSET AT WORK





Clashing Values

Head in Control



Analysis,
Paralysis

(1,10)

Heart in Passion



Clashing Values

Head in Control



(10,1)

Loving Neurotics

Heart in Passion



Clashing Values

Head in Control



(10,10)

Continually
Checking What
Your Heart
Communicates

Heart in Passion



Leadership of the 21st Century

Main Challenges:

- Mass-Customization
- Co-Opetition
- It Is Cool to Be Emotional

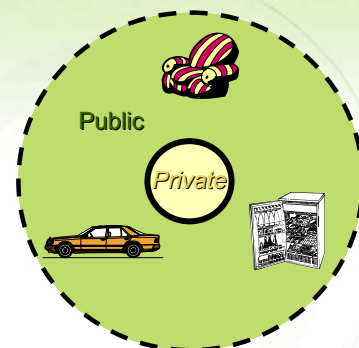


Human Relationships

- Universalism versus Particularism
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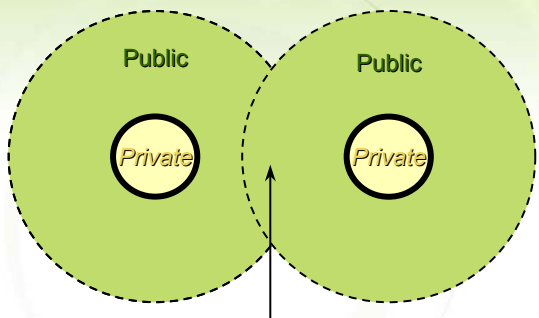


Specific-type of Personality





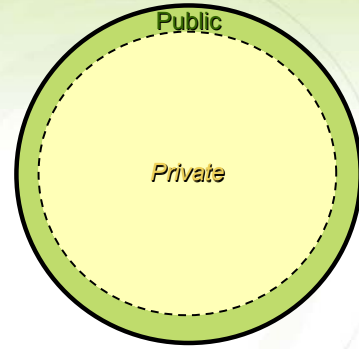
Specific-type of Personality



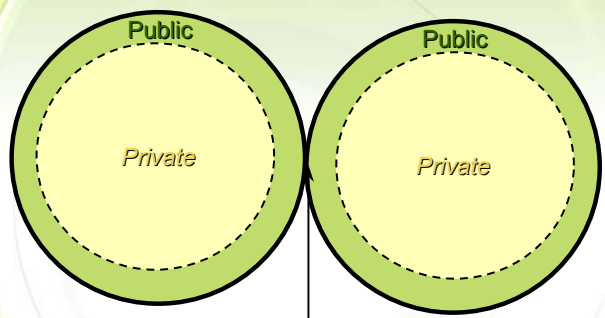
Specific Relationship



Diffuse-type of Personality



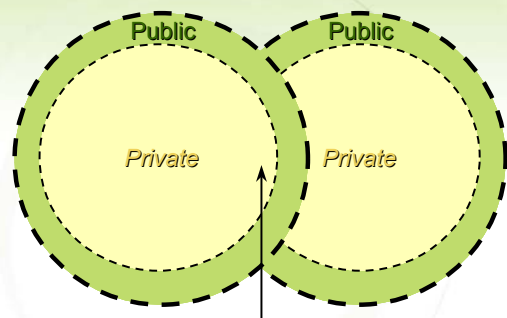
Diffuse-type of Personality



No Relationship



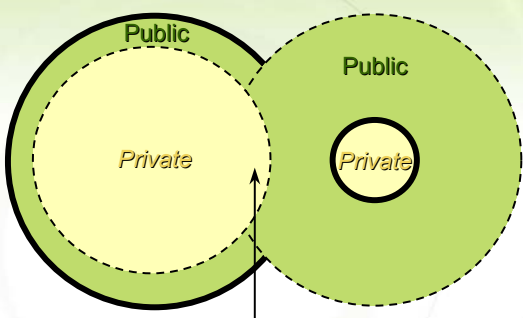
Diffuse-type of Personality



Diffuse



Encounter Diffuse-Specific



Danger Zone



Specific versus Diffuse

Hi-Touch versus Hi-Tech



Hi-Touch versus Hi-Tech

Demanding Facts And Performance On Line

High Tech,
No Brokers

More Clicks
That Stick



High Touch,
No Clients

Rapport, Trust And
Confidence With Brokers



Leadership of 21st Century

Main Challenges:

- Mass-Customization
- Co-Opetition
- It Is Cool to Be Emotional
- Moments of Truth



Human relationships

- Universalism versus Particularism
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Achievement versus Ascription

What You Do

Who You Are

STATUS?



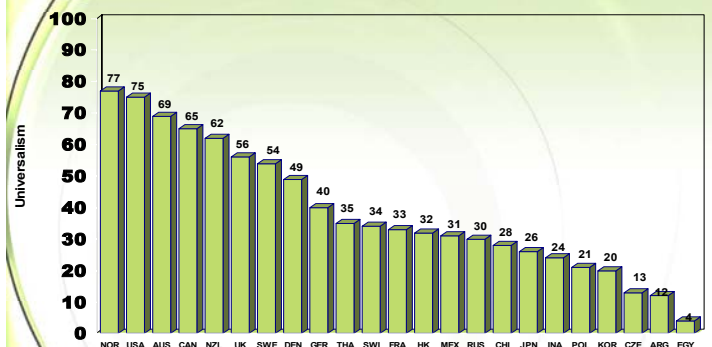
Ascribed Status

- Family
- Age
- Sex
- Education



Achievement versus Ascription

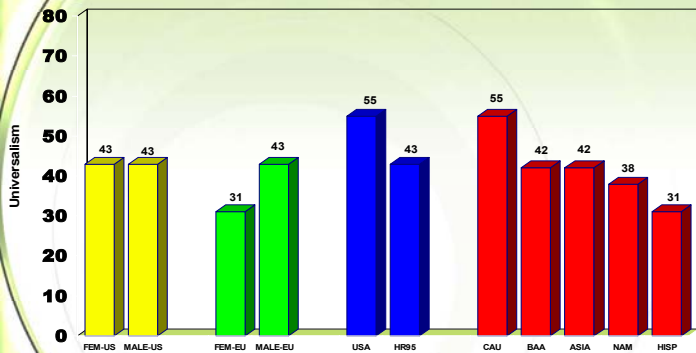
% disagreeing with 'acting as suits you'





Achievement versus Ascription

% disagreeing with 'acting as suits you'



Leadership of 21st Century

Main Challenges:

- Mass-Customization
- Co-Opetition
- It is Cool to be Emotional
- Moments of Truth
- It is Being What You Do



We said earlier that culture:

is a dynamic process of solving human problems / dilemmas in the areas of:

- Human Relationships
- Time
- Nature

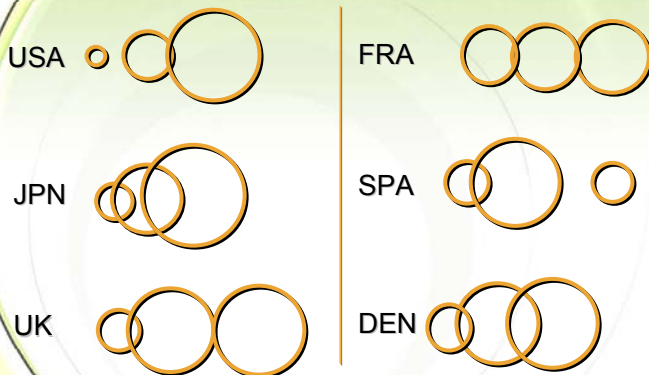


Time

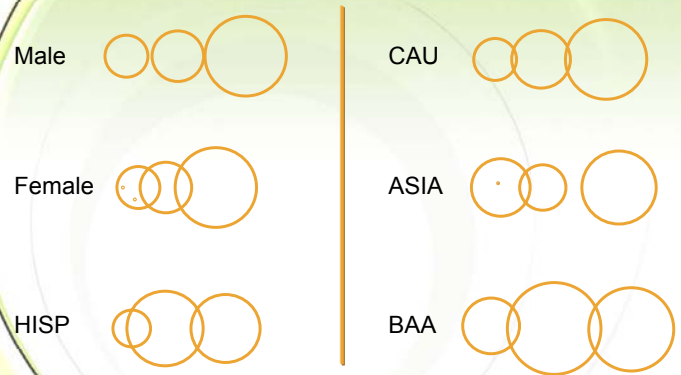
Think of the past, present and future as being in the shape of circles. Please draw three circles representing past, present and future. Arrange these circles in any way you want that best shows how you feel about the relationship of the past, present and the future. You may use different size circles.



Past, Present and Future (1)



Past, Present and Future (2)





Leadership of 21st Century

Main Challenges:

- Mass-Customization
- Co-Opetition
- It Is Cool to Be Emotional
- Moments of Truth
- It is Being What you Do
- Just In Time Synchronizing Sequences



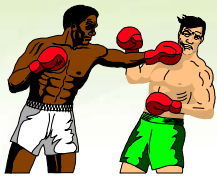
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- Time
- Nature



Internal versus External Control



External Control

Nature as an organism
Subjugation to nature

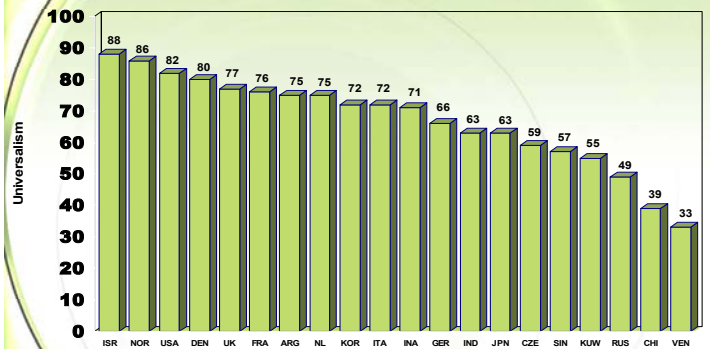


Internal Control

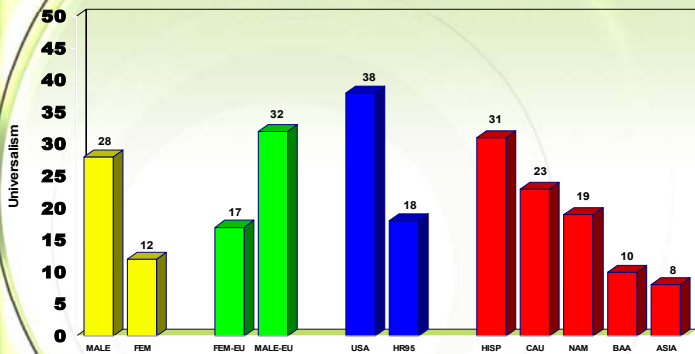
Nature as a
mechanism
Dominance over nature



Internal versus External Control



Internal versus External Control



Leadership of 21st Century

Main Challenges:

- Mass-Customization
- Co-Opetition
- It Is Cool to Be Emotional
- Moments of Truth
- It is Being What you Do
- Just In Time Synchronizing Sequences
- Pushing through the Pull



Leadership

- Be aware of cultural differences
- Respect those differences
- Reconcile cultural differences



Role of Diversity in global companies

Possible levers to pull:

- 1. Link Diversity activities to strategy***
- 2. Internationalize Task Forces***
- 3. Attract diverse staff***
- 4. Assess transcultural competence***
- 5. Train transcultural competence***
- 6. Transfer diversity experience***