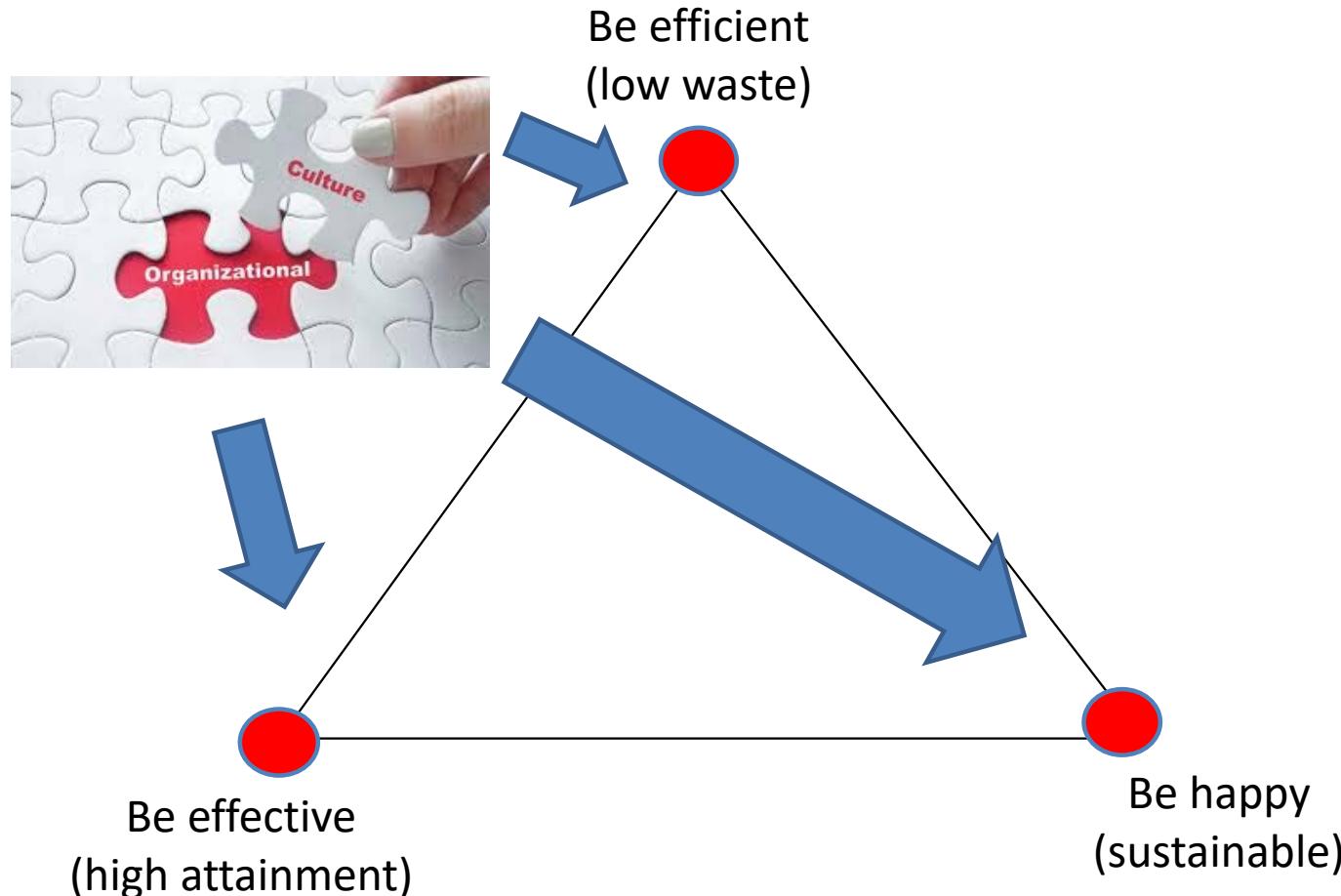




# CB2300

# Organizational Culture & Cross-cultural Management

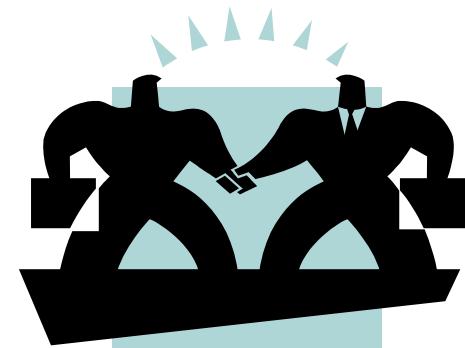
Dr. You Jin (YJ) Kim  
Department of Management  
City University of Hong Kong



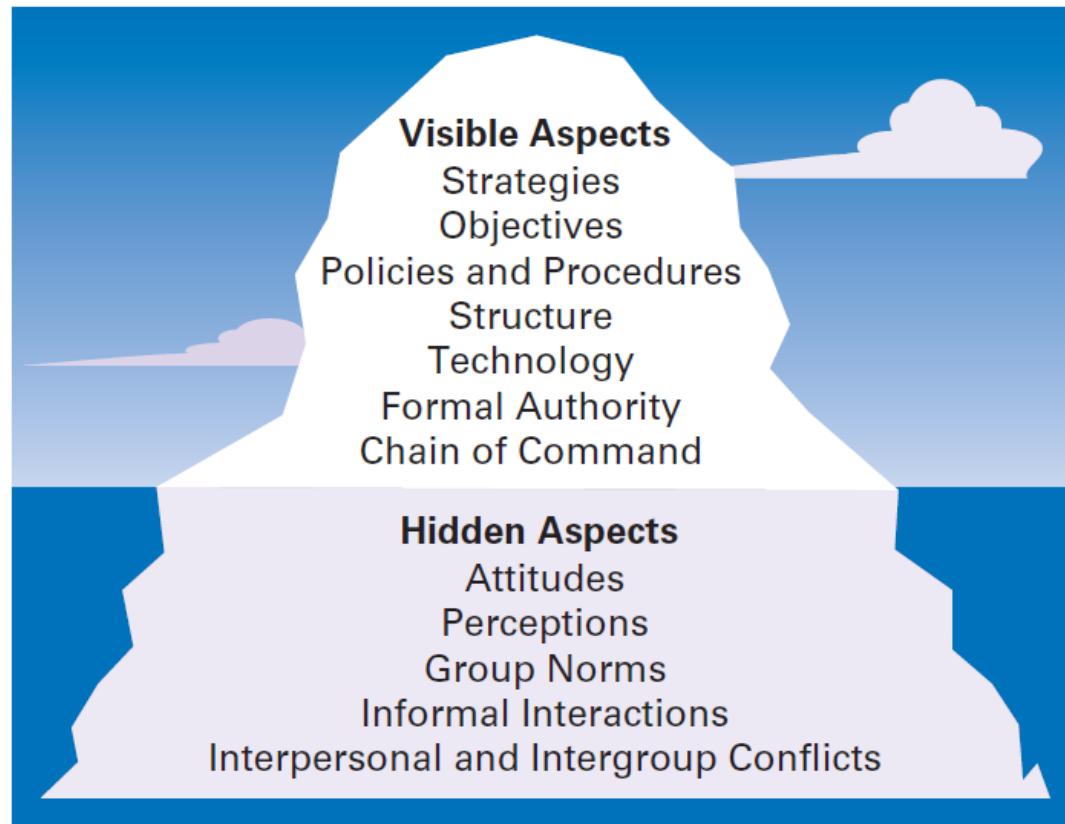
# What is Organizational Culture?

## Organizational Culture

- A system of shared meanings and common beliefs held by organizational members that determines, in a large degree, how they act towards each other.
- “The way we do things around here.”



# Organization as an Iceberg



# How can we know about org culture?

# How Employees Learn Culture

## ■ Stories

- Narratives of significant events or actions of people that convey the spirit of the organization.

## ■ Rituals

- Repetitive sequences of activities that express and reinforce the values of the organization (e.g, awards ceremony)

## ■ Material Symbols

- Physical assets distinguishing the organization (logo, icons)

## ■ Language

- Acronyms and jargon of terms, phrases, and word meanings specific to an organization

**Striving for the best!**

博

安全出口  
EXIT



追求满意的客户服务



中国移动通信集团福建有限公司客户服务 10086

Striving for the  
high quality customer service!

# 服务公约



防火责任区			
责任区域	二楼方形机房	部位编号	2-02
责任单位	全称	联系电话	13609555671
责任人	任艳玲	监督电话	13600883339

坚守岗位	精神饱满	受理业务	迅速准确
接待用户	热情诚恳	解答问题	耐心细致
服务规范	禁用忌语	执行制度	严肃认真
服务周到	亲切贴心	整洁有序	文明生产

监督电话： 13599441817      10086      87557932



# Service contract is everywhere!

正德厚生

中国移动通信  
CHINA MOBILE  
移动信息专家

阳光普照

彼岸花开

Spring



Writing competition  
to promote core values!

软件园一区



**CB2300**

# **Organizational Culture & Cross-cultural Management**

Dr. You Jin (YJ) Kim  
Department of Management  
City University of Hong Kong

# Class Agenda

- Announcement
- Review
- Cross-cultural management & Team



# Announcement

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- Date: April 30 (14:00-16:00); Online (off campus)
- Closed-book
- Mostly from Lecture Slides
- Will share more details once the department approves CB2300 exam questions
- The combination of MC & Essay
- Check online examination preparation guideline carefully on Canvas (Under Modules)
- The last tutorial (Exam Review)

# Fiedler contingency model

What is important here?

# Fiedler contingency model

A leadership theory proposing that effective group performance depends on the proper **match** between a leader's style and the degree to which the **situation** allows the leader to control and influence

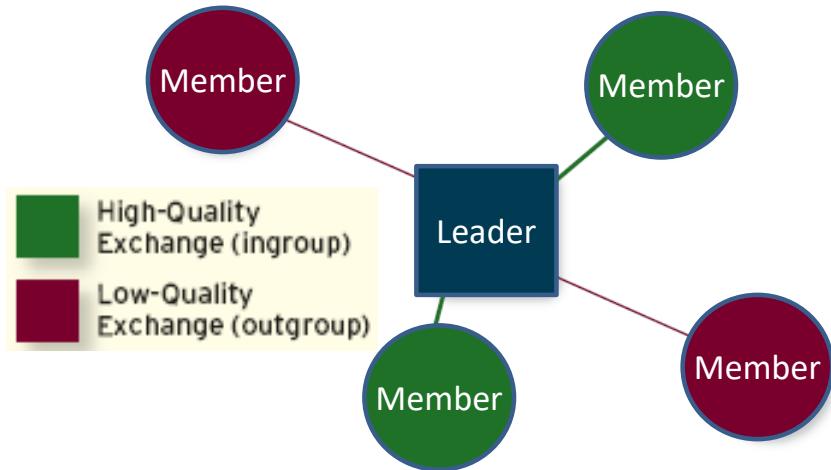
# Transformational vs. Transactional Leaders



- **Transformational leaders**
  - Leading – changing the organization to fit environment
    - stimulate and inspire (transform) followers to achieve extraordinary outcomes
    - inspire followers to **transcend their own self-interests**
  - Transactional leaders
- Managing – achieving current objectives more efficiently
  - link job performance to rewards
  - ensure employees have necessary resources
  - lead primarily by transactions
  - exchange reward for productivity

# Leader-Member Exchange LMX

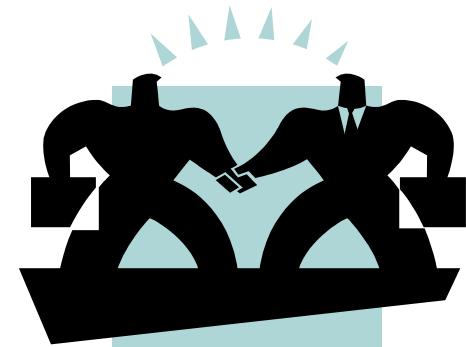
- In the process of developing LMX, leaders and members tend to test one another in the form of role-expectations
- Leaders create in-groups and out-groups and those in the in-group will have higher performance ratings, less turnover, and greater job satisfaction
- **Positive reciprocal** relationship – subordinates receive favors from the leaders will feel obligated to return favors  
(e.g. increased performance)



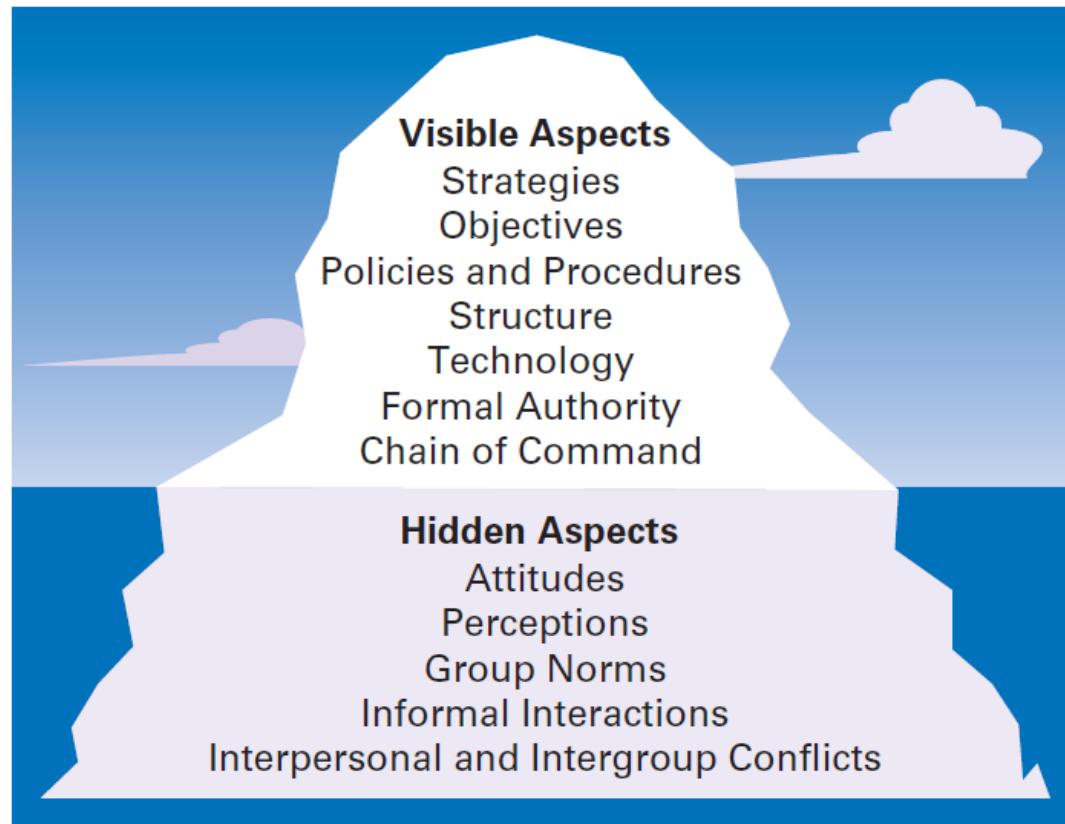
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- “The way we do things around here.”



# Organization as an Iceberg



# Money or Friend?



You are walking to a critical business meeting at which you are going to close a \$100 million dollar deal. You will receive a fee of three million dollars if the contract is signed. However, some major details need to be discussed, and you are the only person capable of discussing them. Suddenly your best friend in the world – you have known him since childhood, and he was the best man at your wedding – rushes up to you and blurts out: "Something terrible has happened, and I need your help immediately. You are the only person who can help me!" What would you do?

## Poll: Money or Friend

# Individualism & Collectivism

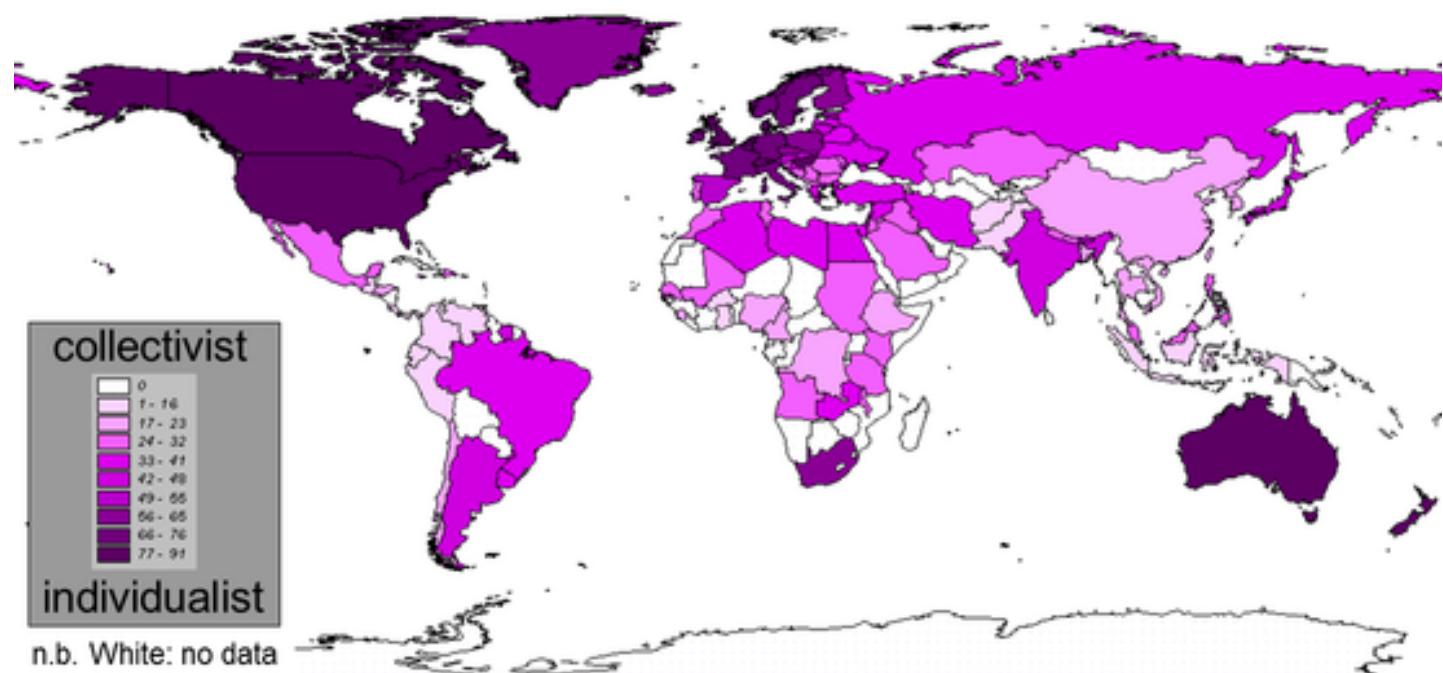
**Individualism (IND):** Emphasizes independence, autonomy, and self-determination. It's about ME.

**Collectivism (COL):** Emphasizes interdependence, social harmony, agreement, and concern for in-group interests. It's about WE.

Source: Hofstede (1990)

# Collectivistic (1) or Individualistic (100)?

## Collectivism – Individualism World map



Get a piece of paper and a pen, or  
on your laptop/cell...

Write 5 different statements in response to the question: “**Who am I?**” Begin each statement with “**I am . . .**” Do not worry about importance or logic. Go fast.

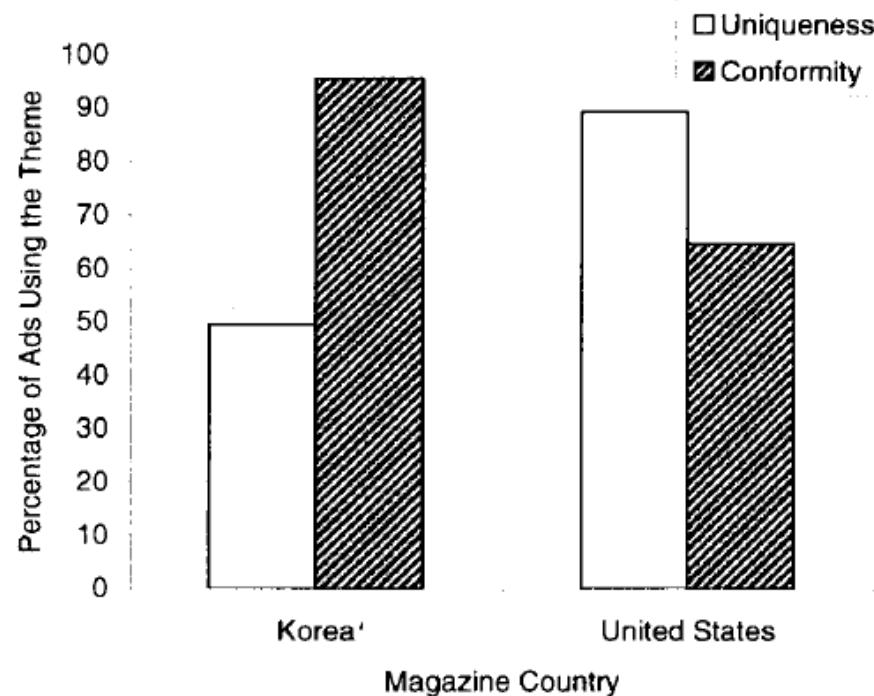
## Individualist:

- I am smart
- I am tall
- I am intelligent
- I am unique

## Collectivistic:

- I am a son of...
- I am Catholic
- I am a member of...

# Ads Theme in U.S. and Korea



*Figure 5. Percentage of advertisements using conformity and uniqueness themes as a function of culture.*

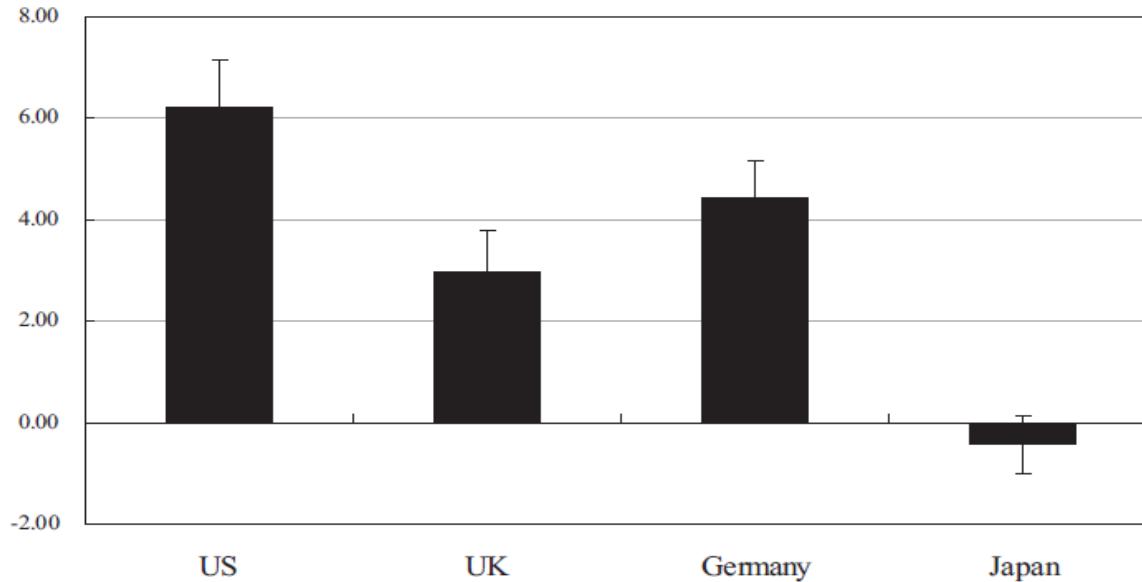
Source: Kim & Markus, 1999

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# Seeing Yourself Bigger than Friends

Relative self-size (mm)



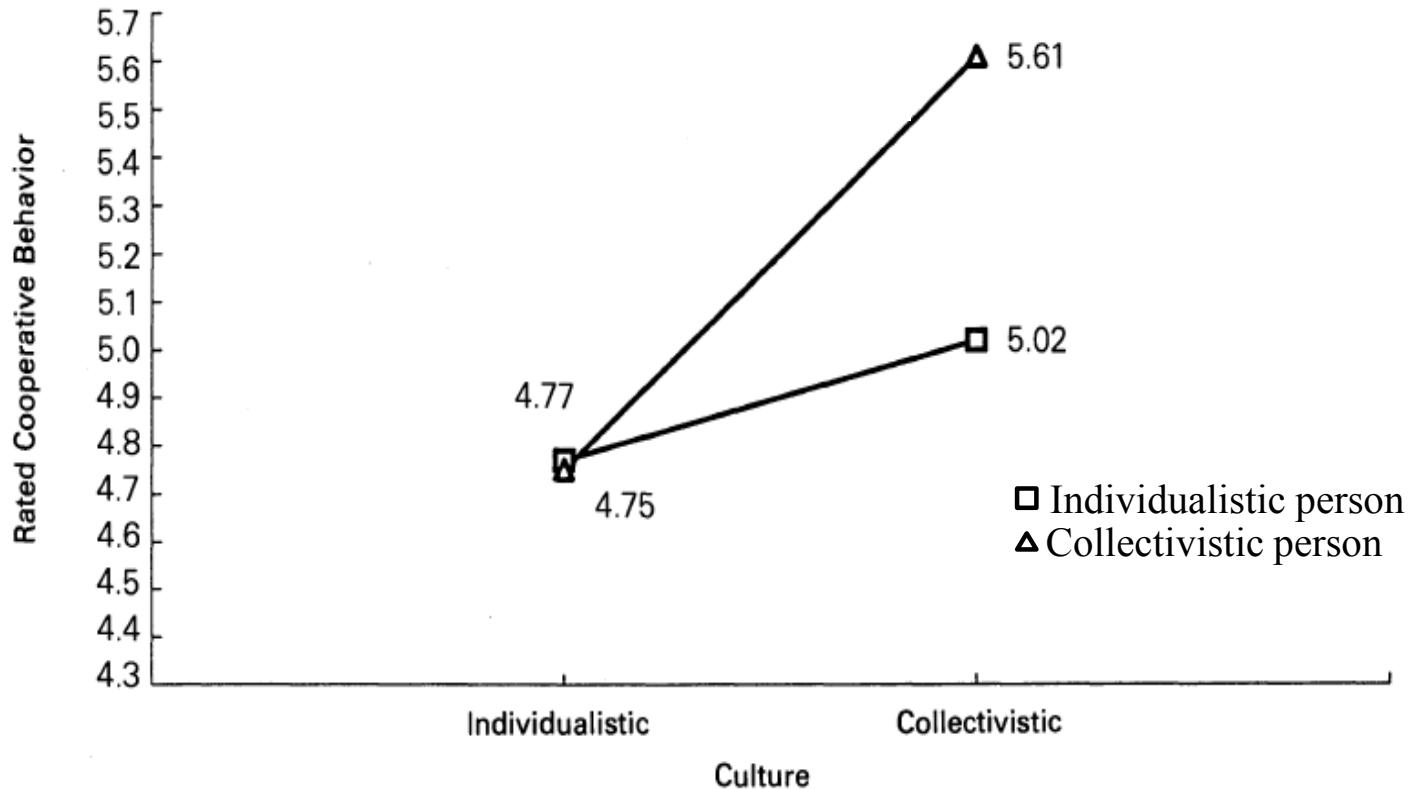
*Figure 6.* Symbolic self-inflation (the tendency to see the self as bigger than friends) in the United States, the United Kingdom, Germany, and Japan. The symbolic self-inflation is most pronounced in the United States, moderate in the two European countries, and nonexistent in Japan. Vertical bars represent the pertinent standard errors of the means.

Source: Kitayama et al., 2009

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# Who is the most cooperative?



- Within and Between Country Differences
  - Beware of cultural stereotype

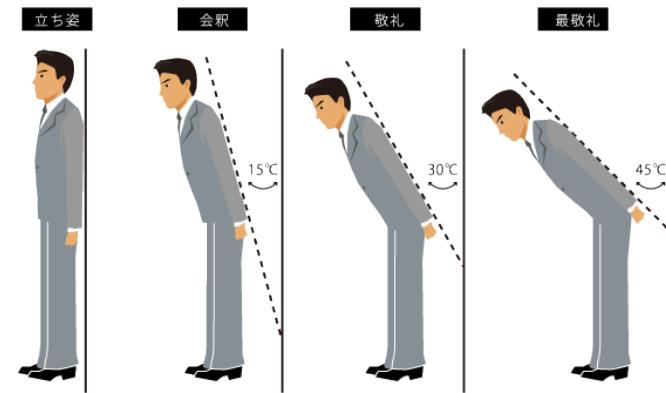
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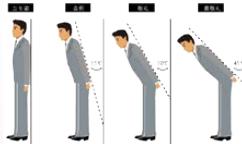
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# Power Distance

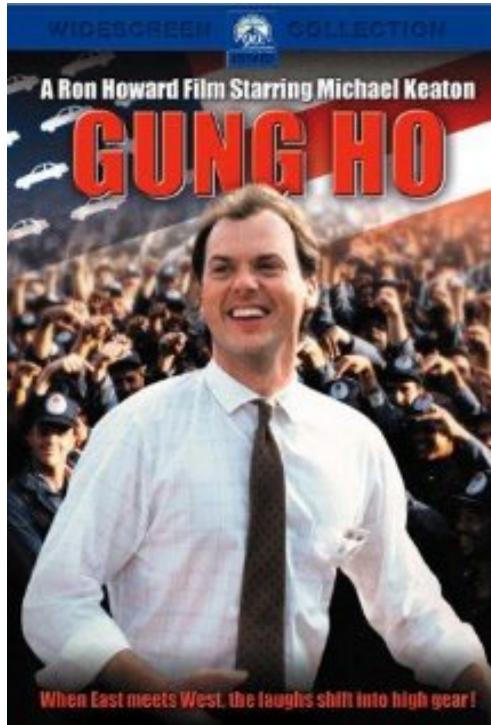
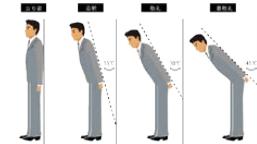
# Power Distance

**Power distance:** the degree to which members of a national culture automatically accept a hierarchical or unequal distribution of power in organizations and the society





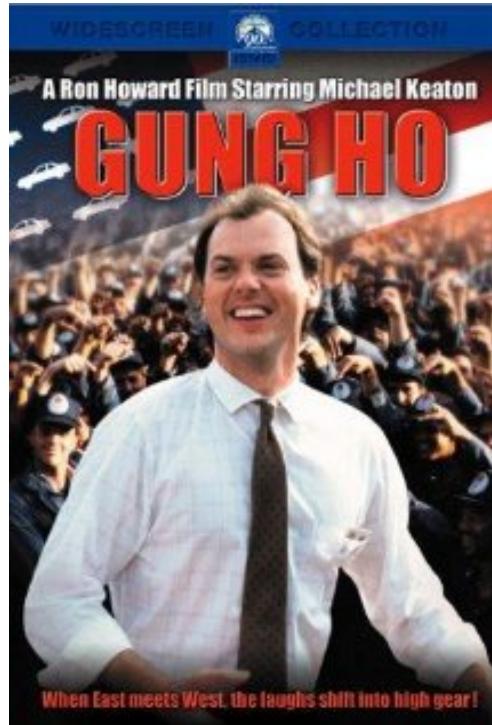
# Gung Ho (19:00 – 21:15)



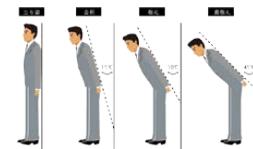
Hunt Stevenson: Representative from an American motor company recently acquired by Assan Motors, a Japanese company

Scene: Meeting between Stevenson and Japanese executives (led by Mr. Sakamoto)

What examples of power distance do you see from the clips?



# Gung Ho



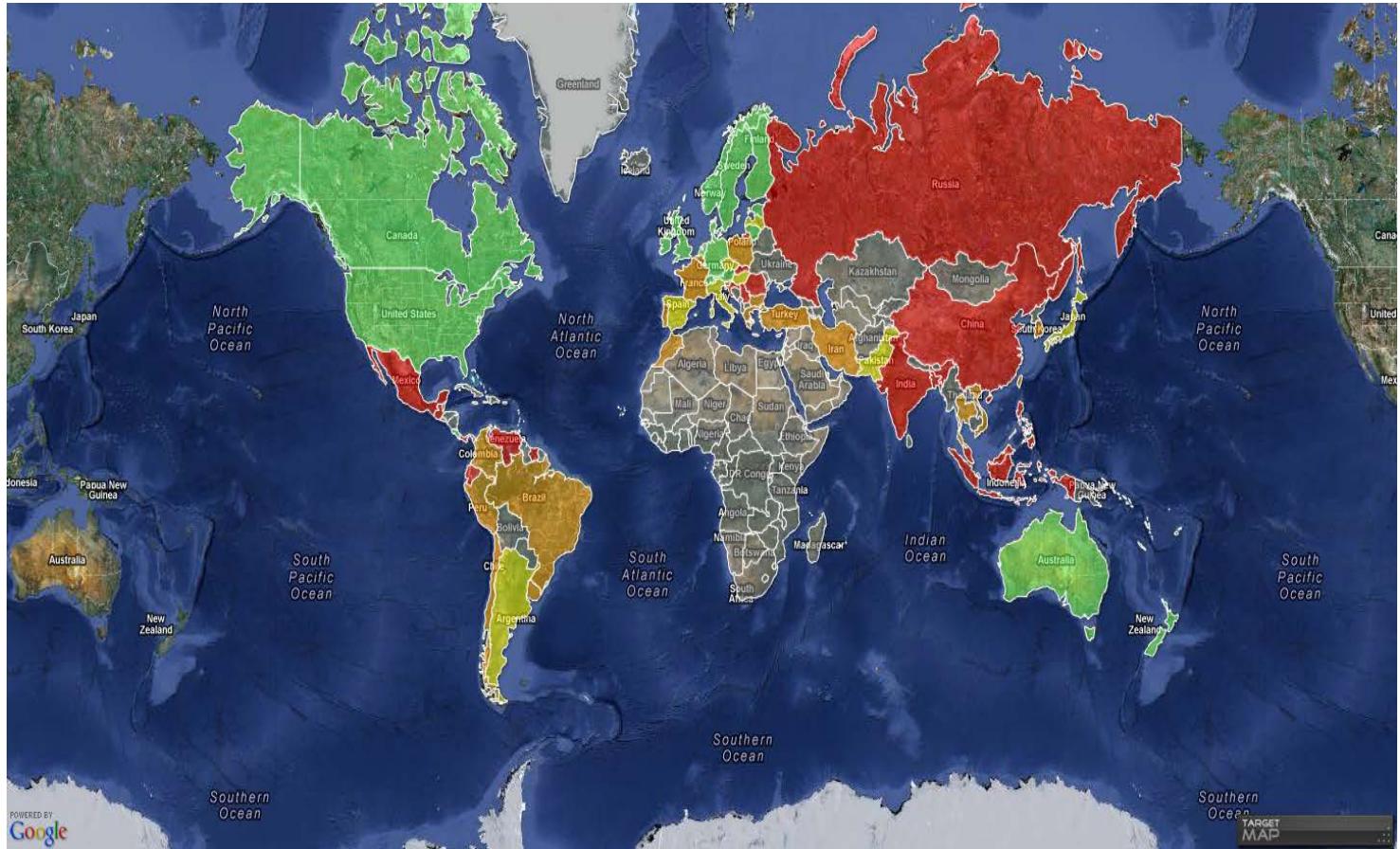
Some examples of Power Distance:

1. Who should sit down first
2. Where you should sit (let the impt person first)
3. Formal / informal way of talking
4. Formal attire
5. Name card

# Japan Airline CEO takes the bus

## Both are from Japan: Why such a difference?

# Power Distance (World Distribution)



# Korean Airline 801 (Seoul --> Guam)

9:00 – 15:00



# Korean Airline 801: Background Information

- **People Involved:** A commercial jet with 200+ passengers. Three crews in the cockpit: pilot, co-pilot (a rank lower), and engineer at the back (a rank lower).
- **Glide slope:** the proper path for an airplane approaching a landing strip.
- **“500”:** When the airplane computer system says “500,” it means the plane is 500 feet above ground.
- **Miss Approach:** If a landing approach is about to fail, pilots can always declare a ‘miss approach’ to go around and land again.

# Korean Airline 801

## Discussion Points:

- Why did the crash occur?
- How's it related to power distance?

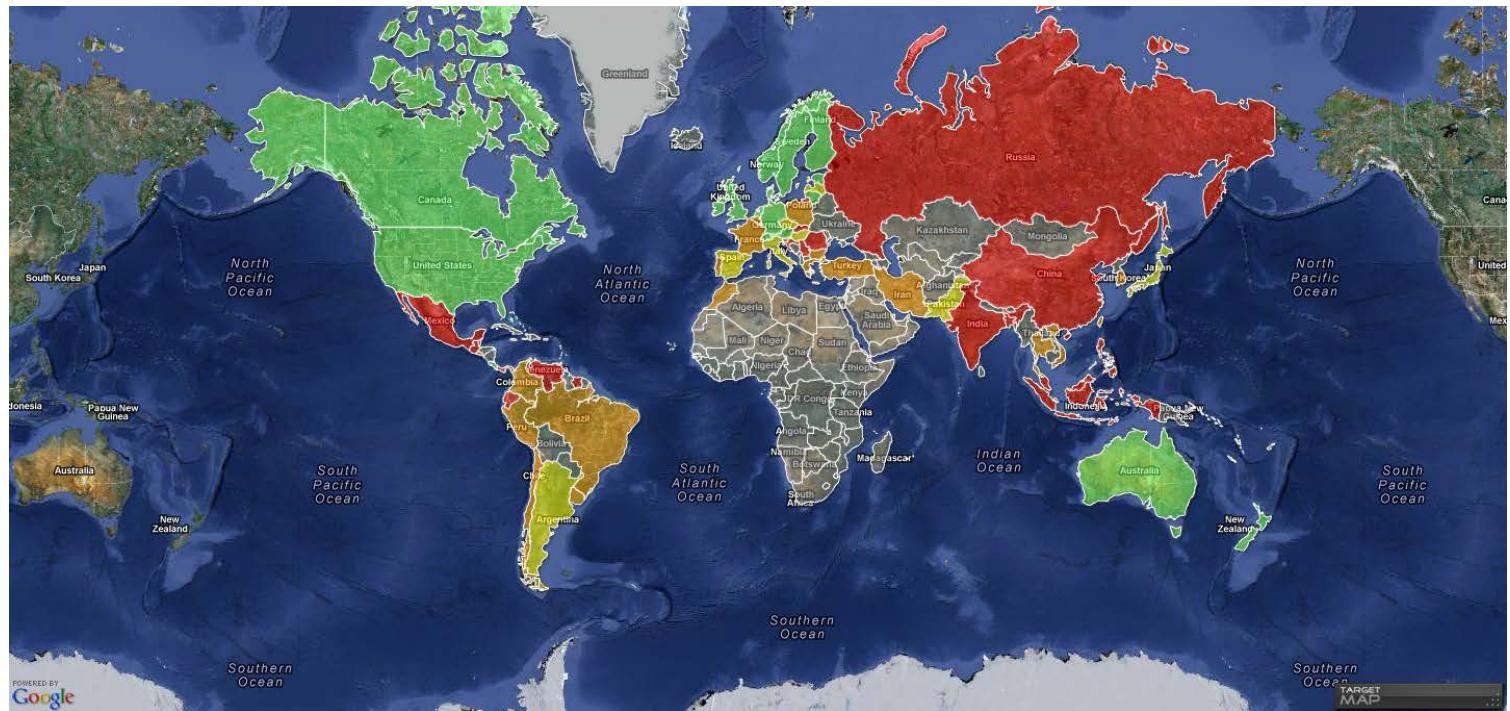
# Korean Airline 801

The results of a cross-cultural study, conducted by Helmreich et al. (2001), showed that in cultures with a high PD, safety might suffer from the fact that subordinates may not have the ability to "speak up" when they should or are unwilling to make inputs regarding leaders' actions or decisions.

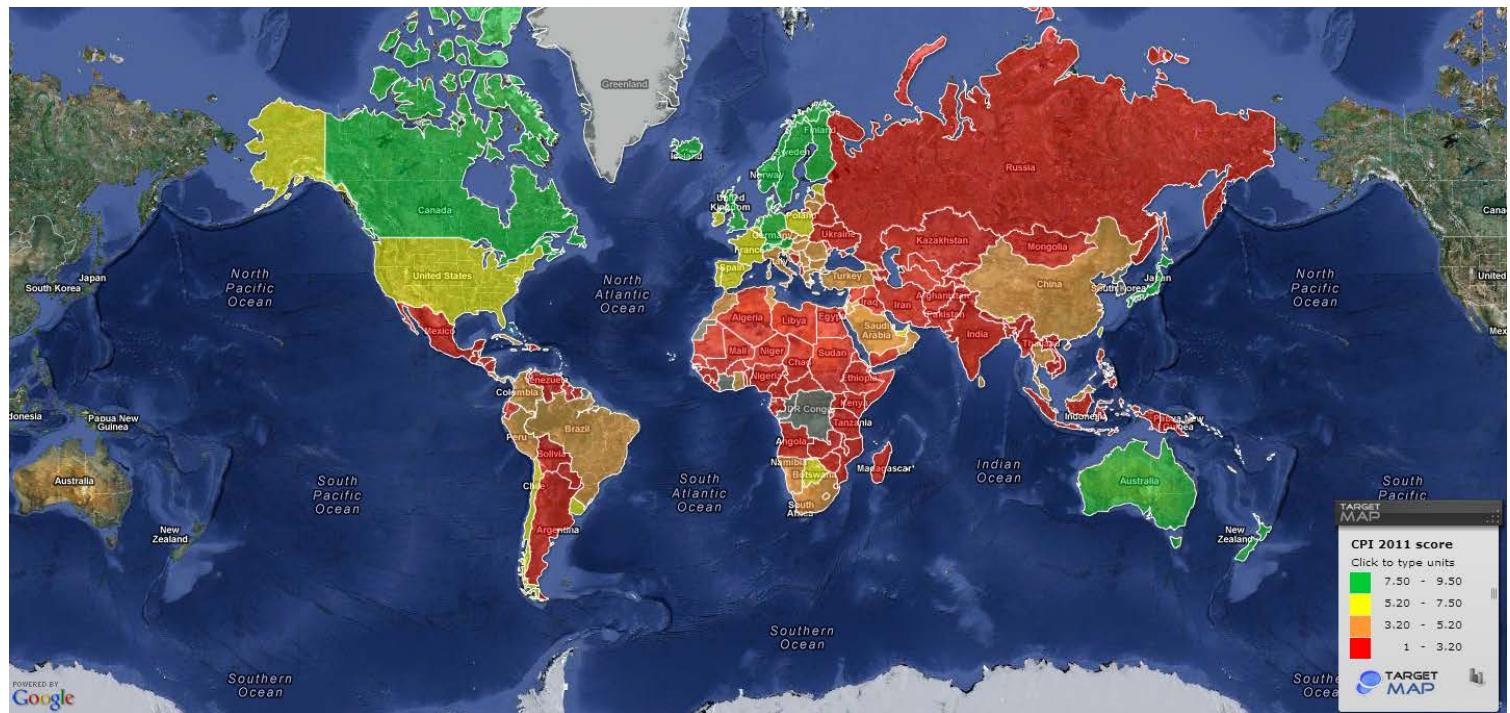
# Korean Airline 801: Aftermath

- Of the 254 members on board, 228 were killed.
- Probable causes: poor weather, pilot fatigue, outage of glide slope, outdated flight map, lack of flight crew training
- Remedy: Korean Airline has improved its crew resource management significantly. Zero commercial jet accident since then.

# Power Distance



# World Corruption Distribution

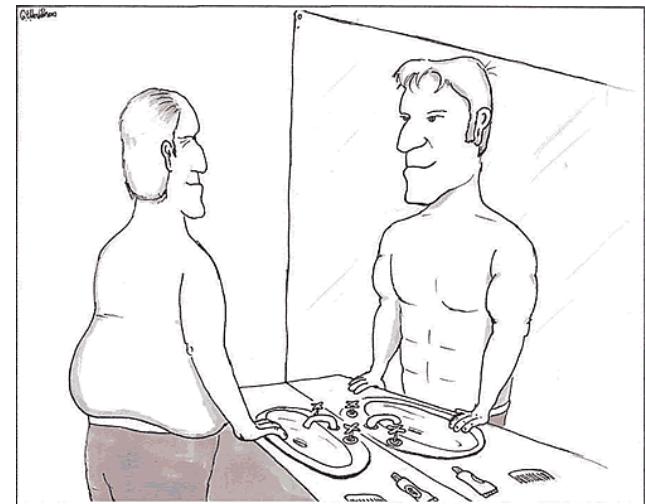


# Application of cultural differences on mgt concepts

- Decision-Making
- Negotiation
- Motivation
- Ethics

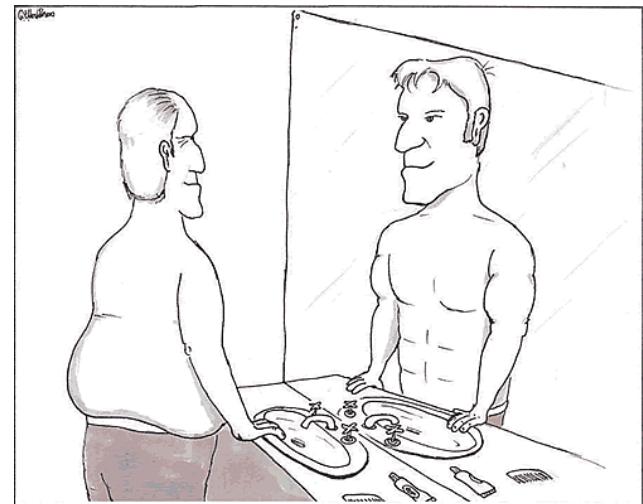
# Self-Serving Bias

- Tendency to attribute success to *internal factors* and to blame failures on *external factors*.
- **What cultural dimensions influence self-serving bias?**



# Self-Serving Bias

- Tendency to attribute success to *internal factors* and to blame failures on *external factors*.
- What cultural dimensions influence self-serving bias?
- ME VS WE



# Fundamental Attribution Error

- Tendency to attribute **other peoples' behavior to internal or dispositional causes** and to downplay situational causes.
- **What cultural dimension influences fundamental attribution error?**

*Savage Chickens*

by Doug Savage



# Fundamental Attribution Error

- Tendency to attribute **other peoples' behavior to internal or dispositional causes** and to downplay situational causes.
- **What cultural dimension influences fundamental attribution error?**
- **More common in individualistic cultures**

*Savage Chickens*

by Doug Savage

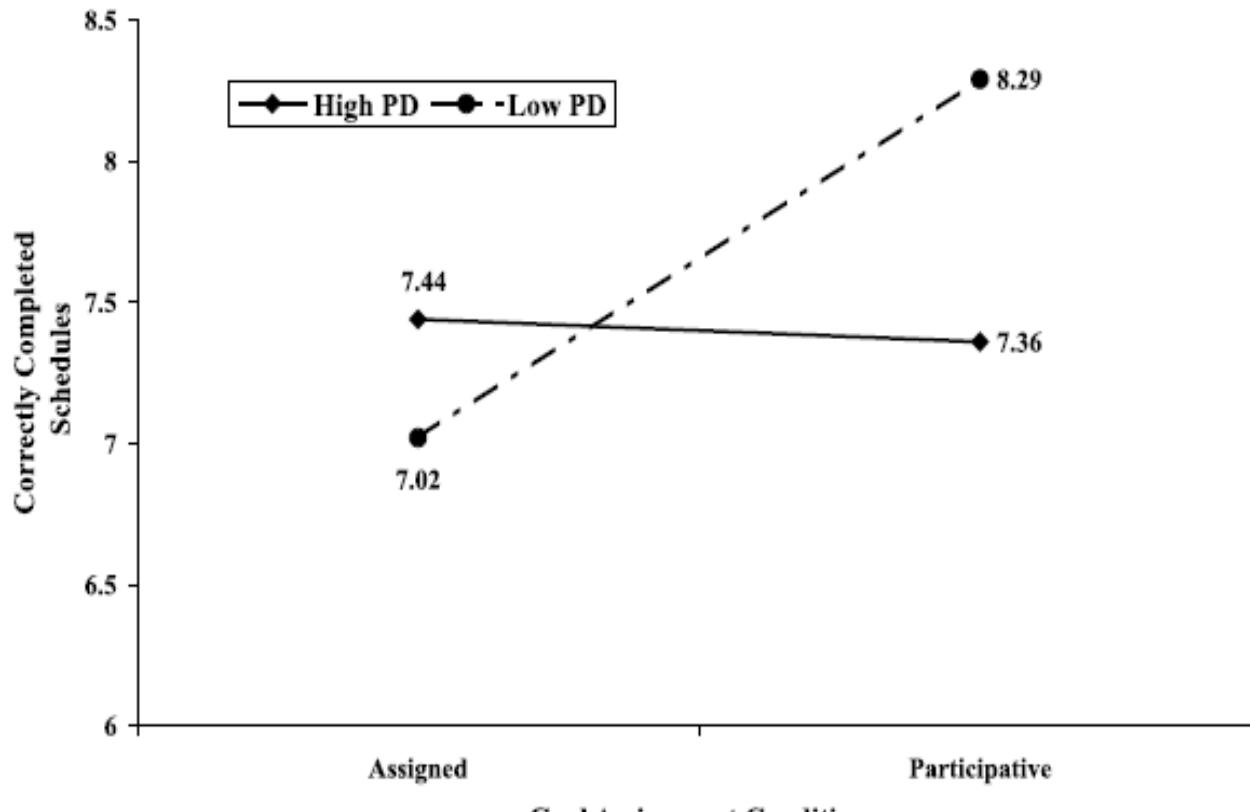


# 1. Goal-Setting

- ***Content:*** What are the goals?
  - Specific, Measurable, Attainable.  
Relevant, & Timely
- ***Process:*** How are goals set?
  - Participative goal setting
  - Assigned goal setting



# Participative Goal Setting & National Culture



Source: Sue-Chen & Ong, 2002

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## 2. Equity





**CB2300**

# **Organizational Culture & Cross-cultural Management**

Dr. You Jin (YJ) Kim  
Department of Management  
City University of Hong Kong

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- Review
- Cross-cultural management II & Team



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- Mostly from **Lecture Slides**
- 50 MC (part 1) & 1 Essay (part 2)
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- Final Exam Reminder (Under Modules)
- The last tutorial (Exam Review): Some exam MC samples

# TLQ

- I value your opinion
- Very helpful for me to prepare future classes
- At the end of our class time today
- Thanks!



**END OF SEMESTER**

# Individualism & Collectivism

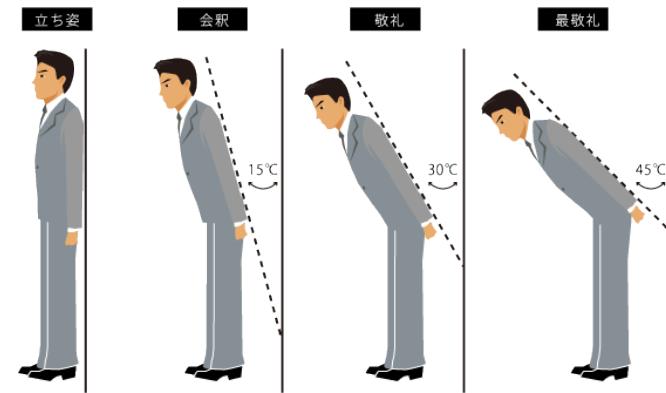
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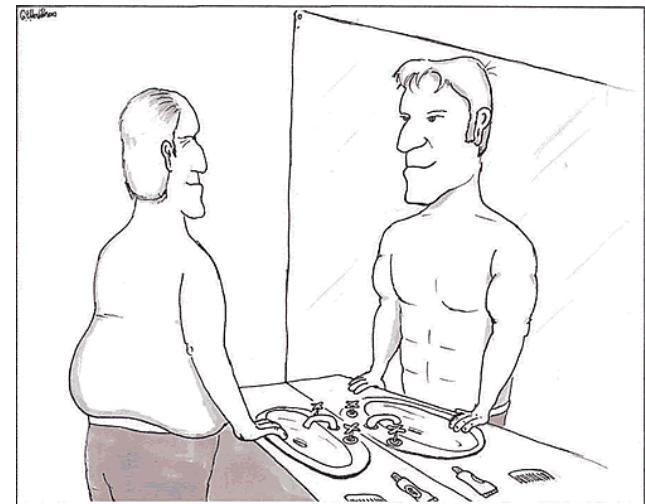


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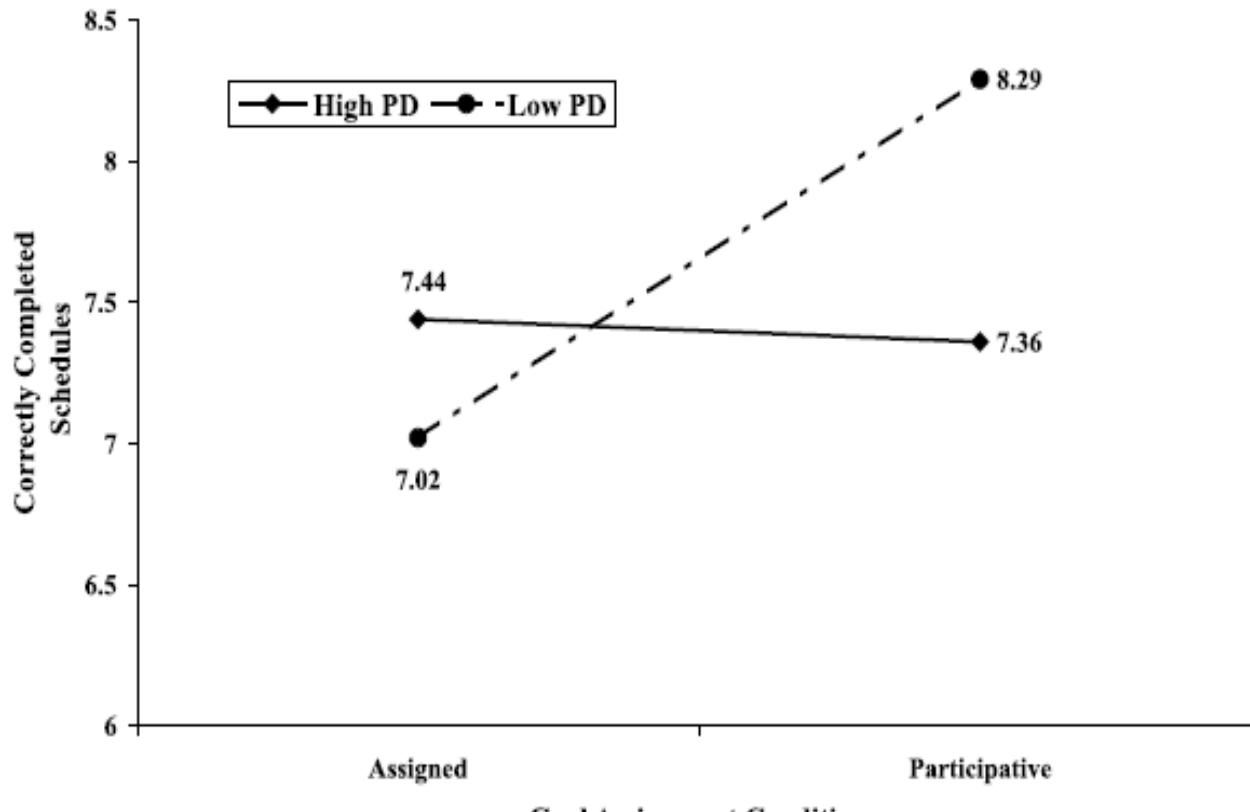
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- What cultural dimensions influence self-serving bias?
- ME VS WE



# Participative Goal Setting & National Culture



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Source: Sue-Chen & Ong, 2002

## 2. Equity



# Equity Theory

For six weeks, Sam (leader of the group) and three other people in your division have been working on an important special project. Now the work is done and the four of you have been awarded a cash prize of \$20,000. How would Sam, a person **high on collectivism**, would distribute the cash price? In answering this question, you may find the following information useful:

Sam did 30% of the work.

Jenny did 40% of the work.

Anthony did 20% of the work.

Heather did 10% of the work.

Which of the following best describes how Sam would distribute the cash prize (in the order of Sam, Jenny, Anthony, & Heather)?

- A. 25%, 25%, 25%, 25%
- B. 30%, 40%, 20%, 10%
- C. 30%, 50%, 20%, 0%
- D. 70%, 10%, 10%, 10%

# Contingent Compensation

Do individualistic or collectivistic individuals prefer contingent compensation schemes or what is often known as pay-for-performance? Why?

# Fixed-Pie Bias





# Fixed-Pie Bias

Fixed-pie bias? Individualistic or collectivistic?

# Fixed-Pie Bias

Negotiators in the United States are particularly susceptible to fixed pie biases  
(Gelfand & Christakopoulou, 1999)

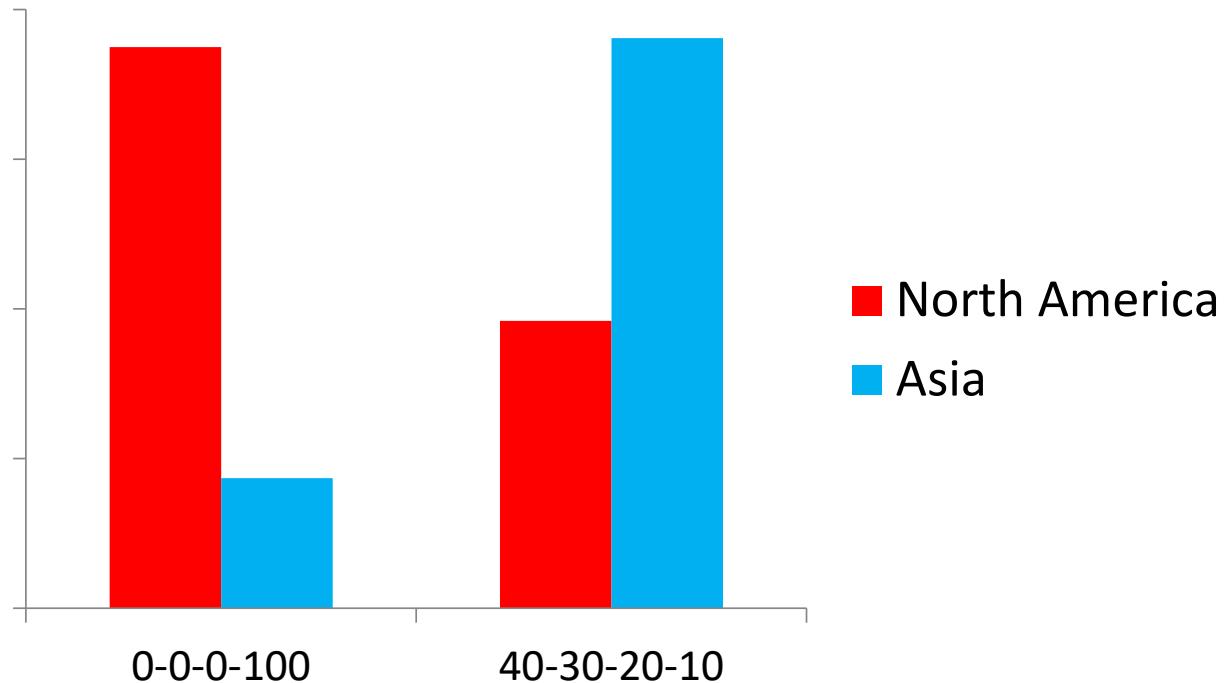
# Effects of IND/COL on Concession Patterns

Which one of these 2 ways of giving away \$100 worth of concessions do negotiators from an individualistic versus collectivistic culture prefer?

Pattern	Time 1	Time 2	Time 3	Time 4
1	\$0	\$0	\$0	\$100
2	\$40	\$30	\$20	\$10

Source: Hendon, 2007

# Effects of IND/COL on Concession Patterns



Source: Hendon, 2007