CULTURAL DIFFERENCES
THE ISSUES OF INTEGRATION
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TITLE: INTEGRATING CULTURAL DIFFERENCES

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0.1   ABSTRACT:

The purpose of this report is to investigate the differences and similarities of Japan, French and American cultures, and the implications of those similarities and differences towards the leadership of Nissan's CEO, Carlos Ghosn. By using appropriate research materials such as articles, websites and relevant books, I was able to retrieve the information justified in the report below. The coverage of this study is based on the justifications of the similarities and differences of the cultures, their implications to the leadership of the CEO and references from which the information and justification was referred from.

1.0   INTRODUCTION:

In the context of identifying cultural differences, there are many categories that can be reviewed in order to obtain the most accurate answer to clearly separate different cultures from each other. With the availability of researches done by different scholars, there are different ways in which one can explain the same point when categorizing different cultures. However, this report covers Hofstede's 5 dimensions of cultural differences and similarities. Geert Hofstede was a Dutch management researcher who first published the results of his study of more than 100,000 workers of IBM in 40 countries in 1980 (Hofstede, 1980, 1983, 1984, 1991, 1997, 2001). In addition to that, other resources from articles written by different scholars will be used to strengthen the 5 dimensions by Hofstede.

Power orientation is the first dimension in the Hofstede's value dimensions. According to Hofstede (1984), the extent to which the individuals who are less powerful in the society accept inequality of power and consider it as a normal thing is what is referred to as power distance. Cultures with high power distance are the ones whose individuals avoid criticizing their superiors and respect them, whereas low power distance cultures, are those which accept challenging their superiors but with respect. These positions indicate the power that one holds in an organization hence people value such information in order to determine other people or organizations trustworthiness and credibility (Gould, Zakaria and Yusof, 2000). In comparison to Japan, France and US by following the power distance dimension, it is clearly notable that the French and Japanese cultures practice more of the high power distance approach (Abdullah, 2005), whereas the US follows the low power distance approach. This can be seen when one addresses his/her superior where it is very crucial for Japanese and French cultures to address a superior with all due respect unlike the US, where minors can address their bosses in a casual manner and it will still be acceptable and considered none disrespectful.

Social orientation is another dimension of Hofstede's value dimensions, which refers to the way people define themselves and the relationships they have with others. Individualistic cultures prosper more on the interests of the individuals over those of the group since goals are set with minimal consideration provided to groups, perhaps other than your immediate family. While in collectivistic cultures, the interests of the group thrive more than the individual's where people are

united into interconnected strong groups that last throughout a lifetime to safeguard in exchange for obedient loyalty (Hofstede, 1997). For instance, in individualistic cultures such as the US, they might want to know what a person does when meeting them, hence they tend to define people based on what they have done, who they are or what accomplishments that they have achieved since individualistic cultures are more distant and remote. However, collectivistic cultures such as Japan and France stress more on relationships with other people, interdependent activities and overpowering individual purposes for the wellbeing of the group to a superior degree. (Sagepub.com, 2006)

Time orientation is also another one of the Hofstede's value dimensions. Initially called "Confucian dynamism", time orientation focuses on the degree to which a society embraces either long-term or short-term time orientation. It explains cultures that exercise short-term values in respect to mutuality and customs within social relations to long-term values with ordering by status and the degree of tenancy (Hofstede and Bond, 1984). In the case of American cultures, they usually make decisions especially strategic decision as long-term goals that they need to achieve. Unlike the French and Japanese cultures who prefer to make short and fast decisions for their strategic goals that they need implement in the businesses and the way the practice them (Lewis, 2010, Burchard, 2011).

Leaders in any organization are required to be well educated about Organizational Behavior so that they can effectively apply motivational theories, dimensions such as those by Hofstede and also traits of leadership in order to successfully manage, monitor, control and lead the employees of the organization. The existence of different cultures in organizations requires leaders to be able to cope and handle such diversity so that both employees and leaders can work as a team to achieve their goals. Hence, the application of different theories and or leadership traits are to be considered. The following are the proposed leadership traits that can be implemented by Ghosn, CEO of Nissan, in order to effectively lead and manage the Japanese, French and US cultures.

Due to the fact that Japanese people follow the rules, keep track of their time, respect their superiors and practice a collectivistic approach in decision making, Ghosn may need to implement leadership traits such business knowledge, intelligence, integrity and drive in order to effectively lead, manage and supervise his employees. Since the Japanese have obtained their success through innovation (Prahalad and Hamel, 1990), it is very crucial for Ghosn to apply business knowledge

in this culture, because it will help him understand the way in which the Japanese people do business. As a result, he will be capable of applying the knowledge that he will learn in coming up with innovative ideas for the Nissan plant in Japan so that the business can grow. Intelligence may be another leadership trait that Ghosn can apply in Japan. As defined, intelligence is ability to learn from experience and acquire knowledge and skills to help an individual in solving problems and using that knowledge to adapt to new situations. In order for Ghosn to be able to apply the innovative ideas that he will obtain from the business knowledge into the business, he needs intelligence so that he can critically analyze those ideas and come up with good, non-costly solutions that can bring more business to Nissan and generate more profit.

In the case of US on the hand, Ghosn will need to apply different leadership traits due to the different culture that they have. Self-confidence is definitely a trait that one needs to have in order to successfully do business in the US. As mentioned by Kenna and Lacy (1994), first impressions are the keys to a successful business relationship in the US. Americans prefer direct eye contact and a firm handshake from a client or partner, hence a person who would give a weak handshake is considered to be weak. Business knowledge is another leadership trait that one needs to have in order to do business in the US. Gesteland (1999), pointed out that when arriving at a scheduled meeting, it is important for one to be punctual or be there a couple of minutes earlier than the scheduled time. Because, arriving late at a meeting will cause Americans to perceive you as a rude and/or disorganized person. So, knowing the business knowledge of how Americans practice their business will enlighten one to understand such important facts of practicing a successful business in America.

On the other hand, since the French culture have entirely different ways in which they practice their cultural values, Ghosn will need to implement different leadership traits in order to successfully do business with them. Torres and Perri (2009) pointed out that, Hofstede's dimensions of culture of power distance index (PDI) and uncertainty avoidance index (UAI) show the distance in culture that France has to German. With 68 and 86 points scored by France corresponding to PDI and UAI, this shows that the significance of understanding culture is important in order to be successful. In relation to Ghosn's situation, it is crucial that he should understand the business knowledge of the French culture, he should have self-confidence and should show integrity in the ways in which he leads his employees in France. Following the PDI,

the implementation of business knowledge in France is important for Ghosn because he will able to understand how the French people do business. For example: when one introduces him/herself or introduces another, he/she should not use first names unless permitted to do so. This may be because the French businessmen and women introduce themselves by saying their last names first, hence care must be taken when introducing each other or oneself. Also, asking someone to clarify their name after they said it is considered to be rude, hence other means of clarification may need to be used (Kenna and Lacy, 1994). If Ghosn does not understand the business knowledge of the French culture, he may not know that doing such things with businessmen in France is not acceptable and as a result he won't be able to successfully do business in France. Another leadership trait that Ghosn needs to have is self-confidence. The French prefer that when doing business, there should be an exchange of business cards between parties but only after a relationship has been made and that the information should be carefully treated (Martin and Chaney, 2006). These business cards are required to be printed in both English and French and need to indicate the degrees that one earned rather than the job title and description (Morrison el at., 1994). This shows a sign of self-confidence to other party because they will be able to know exactly how good you are at the job, so that they can assure themselves that the person with whom they are doing business is in fact fit and well equipped in the business.

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