

HI 5013

Managing Across Borders

HOLMES
INSTITUTE



Session 12

Motivating and leading across borders:
managing teams and diversity



Subject progression to date

1. Int. management: context and challenges
2. Environment of the international manager
3. The globally responsible corporate citizen
4. National culture and mgmt behaviour
5. Communicating across cultures
6. Negotiation and decision making
7. Strategy and globalisation
8. Operating across borders
9. Organisational issues in a global context
10. Staffing and training for global operations
11. Expatriates and employment relations
- 12. Motivating and leading across borders**



Session 12, Motivating and leading across borders: managing teams and diversity

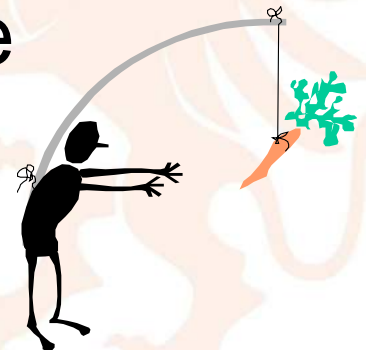
- Introduction and management challenge
- Motivation: the meaning of work
- The needs hierarchy in international context
- Intrinsic-extrinsic dichotomy
- How to motivate people
- Leadership
- Cross cultural research on leadership
- Contingency leadership: the culture variable

- The objective of this chapter is to consider motivation and leadership in diverse cultural settings
- Differences in social and other factors that elicit and maintain high employee productivity and job satisfaction are discussed
- The question is asked and answered: are effective motivational and leadership techniques universal or culturally based?



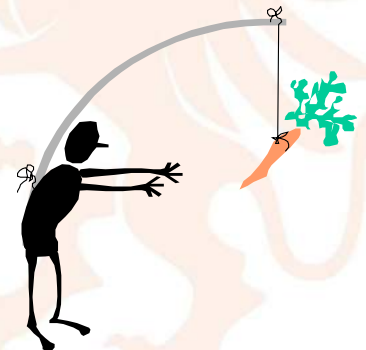
- Managers' tasks do not end when they set up operations by planning strategy, organising the work, responsibilities and staff
- They then turn their attention to everyday activities that include those of individuals and teams in various daily tasks to accomplish the objectives of the company
- Persuading people to perform their jobs efficiently and effectively is at the heart of the management challenge

- Motivation is affected by powerful social, technical, legal, political and cultural forces
- Motivation in context of work and personal life is greatly influenced by cultural variables that affect attitudes and behaviours on the job
- Some general assumptions can be made by applying Hofstede's research



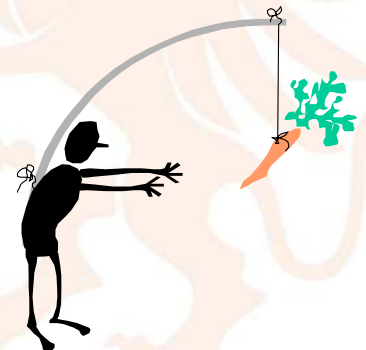


- Cultures high in individualism, such as that of Australia, suggests motivation towards individual advancement and autonomy
- Members of cultures high in collectivism, such as that of Thailand, will be more likely to be motivated through appeals to company and group goals
- High uncertainty avoidance suggests the need for job security, as in Japan



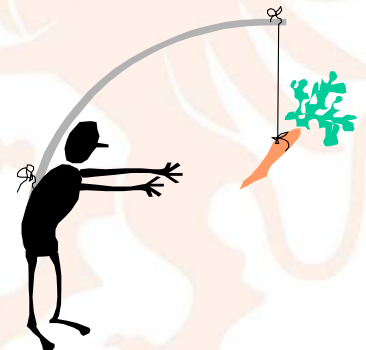


- Australians are argued to feel a comparatively low need to avoid uncertainty. They would therefore probably be motivated by riskier opportunities for variety and fast-track advancement
- High power distance, as in Filipino culture, suggests that workers will be motivated to achieve goals set by managers to the extent of their relationship with those managers



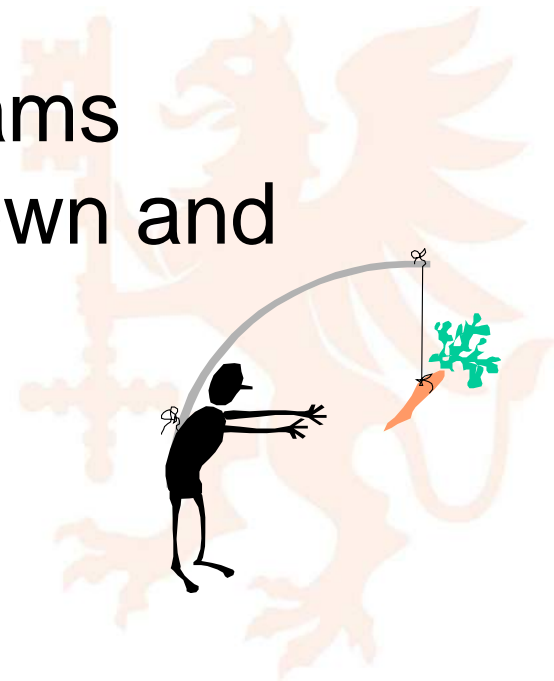


- In low power distance cultures as in Australia, people are more likely to be motivated by relationships with peers
- A culture of high masculinity suggests that most people would be more comfortable with the traditional division of work and roles
- Thus in Australia's masculine culture, managers have to find a balance between being 'one of the boys' and being a boss



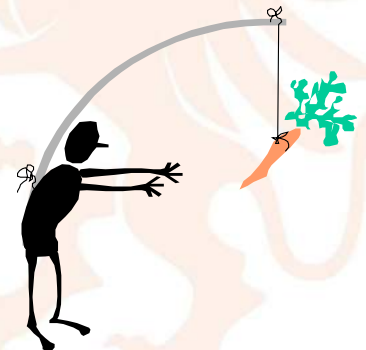


- In more 'feminine' cultures such as that of Sweden, this may not be a problem
- Workers more motivated by flexible roles and networks
- Managers may demotivate teams unless they understand their own and others' needs, goals, value systems, and expectations





- No matter what their nationality or cultural background, people are driven to fulfil needs and to achieve goals
- Managers want those goals to fit with company strategies
- They also need to find appropriate motivational techniques to persuade them this is the case





- For most people, the basic meaning of work is tied to economic necessity
- They will not seek paid employment if they don't need the money
- But often there is more to work than money
 - Other motivators include achievement, status, social contacts, and the feeling of being a useful member of society



- Work is in relationship to the rest of life
- Many people have been acculturated to feel guilty if they are not working
- Most people take their work seriously but working hours and conditions vary according to legislation and union rules
- Without such constraints employers all over the world would probably make many greater demands of their workers

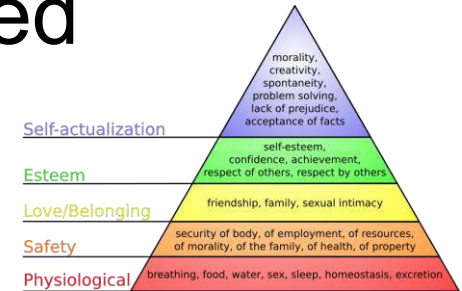


- In order of importance, workers in a study reported that work
 1. Provides a needed income
 2. Is interesting and satisfying
 3. Provides contacts with others
 4. Is a way to serve society
 5. Keeps one occupied
 6. Gives status and prestige



The meaning of work (cont...)

- There are similarities between some of these functions and Maslow's need categories
- And Herzberg's categories of motivators and maintenance factors
- But there are many other factors
- Age is a huge factor in motivation to work; so is gender, peer-group pressure, economic status, and so on indefinitely



Motivator Factors	Hygiene Factors
<ul style="list-style-type: none"> • Achievement • Recognition • Work Itself • Responsibility • Promotion • Growth 	<ul style="list-style-type: none"> • Pay and benefits • Company Policy and Administration • Relationships with co-workers • Physical Environment • Supervision • Status • Job Security • Salary



- Thus other variables affect perceptions of work and how it satisfies various needs, e.g. the relative wealth of a country
- When people enjoy a high standard of living work takes on different meanings, over and above provision of the basic economic necessities



- Studies have found that motivational similarities do exist and that there are common clusters of needs and goals across nationalities
- These clusters include
 - Job goals, such as working area, work time, physical working conditions, fringe benefits, and job security
 - Relationships with co-workers and supervisors
 - Work challenges and opportunities for using skills



- Researchers conclude that need clusters are constant across nationalities and that Maslow's need hierarchy is supported
- Maslow's hierarchy reflects Western cultures
- Chinese managers' hierarchy of needs may be
 - Belonging
 - Physiological needs
 - Safety needs
 - Self-actualisation needs for service of society



- Herzberg's research found two sets of factors in motivation
 - Intrinsic (motivational) and
 - Extrinsic (maintenance)
- People from all cultures seem to be motivated to work by the nature of the work itself while being more or less satisfied with conditions of work



- This suggests implications for motivation in the workplace
 - Managers should focus on job content rather than on job context
 - Job enrichment programs are more likely to improve performance in organisational cultures that are intrinsically oriented



- That is, where satisfaction tends to be derived from the job itself
- In firms where job context factors, such as security and fringe benefits, are more highly valued, job enrichment programs are less relevant to increase in worker motivation



- This underscores the need to consider carefully all the cultural variables involved in motivation
- Another factor that has been shown to influence workers' motivation is that of gender
- On the whole, women seem to be more motivated to work than men

- Employee satisfaction and motivation in Australia
- Read pp. 366-369





Rank-order the following factors in order of importance to your motivation to work

- Income
- Interest and satisfaction
- Contact with people
- Service to society
- Occupation (something to do)
- Status and prestige



Possible answers



- 1.
- 2.
- 3.
- 4.
- 5.
- 6.





- Managers entering new markets often run into difficulties in motivating local staff
- Motivation is situational and foreign managers consult often with local people to find the best means of motivating
- They avoid ethnocentric assumptions about employees' goals, motivations or work habits, based on their own frames of reference
- They do not make negative value judgements about people's levels of motivation because they differ from their own

- Rewards in most systems are usually in five categories
 - Financial, status, job content, career, and professional development
- Relative emphasis will vary
- Some systems based primarily on seniority.
- But this can discourage new recruits
- Advancement on merit is more likely to motivate them to do the best job possible and to implement new ideas





- Recent moves in many OECD countries are to adopt performance based and process-based regulation
- Also reward systems often distinguish between regular workforce and temporaries - traditionally women, expected to leave when they start a family
- In any case, until quite recently, remuneration for women employees did not match that of men and in many cases still does not



- As with reward systems, leadership styles vary around the world - but the goal of every leader is to achieve the organisation's objectives through the work of its employees
- Ideally, employees should achieve their own goals in the process – but while desirable this is not essential





- International leaders develop flexible styles
- Major challenges include long-term global perspectives, convergence of information and communications technologies, and the routine inclusion of ethical considerations in global business decisions
- Information overload, increasing complexity, interdependence and pace of change make leadership more difficult
- And the global community is calling for greater accountability



“Four Ts” of global leadership development

- Travel: Seeing the world and visiting other companies provide valuable insights to major markets of the world
- Teamwork: Working with other people who have started up businesses provides valuable life experiences
- Training: Leaders have to embrace continual learning and change to develop the competencies for success
- Transfers: Work experience to develop leadership and business skills in organisational contexts



- Should inspire and influence motivation and behaviour of employees and ultimately the entire climate of the organisation
- International managers have to act as
 - Representatives of the parent firm and managers of the local firm
 - Residents of the local community; and citizens of one or more countries
 - Members of a profession; and members of families



Figure 11.1 Cultural views of leadership

Behaviours and traits universally considered to promote leadership

- Trustworthiness (integrity)
- Visionary (charismatic–visionary)
- Inspirational and motivating (charismatic–inspirational)
- Communicative (team builder)

Behaviours and traits universally considered impediments to leadership effectiveness

- Being a loner and asocial (self-protective)
- Non-cooperative (malevolent)
- Dictatorial (autocratic)

Culturally contingent endorsement of leader attributes

- Individualistic (autonomous)
- Status-conscious (status-conscious)
- Risk-taking (charismatic III: self-sacrificial)

Source: Adapted from Mansour Javidan et al., 'In the eye of the beholder: cross cultural lessons in leadership from Project GLOBE', *The Academy of Management Perspectives*, vol. 20, no. 1, 2006, p. 75.

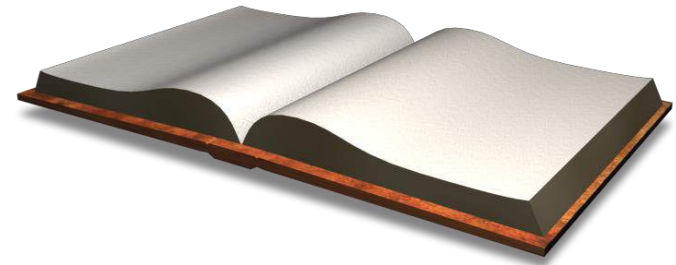
- Technology supports global leaders' roles
- It may or may not promote convergence of leadership styles worldwide
- International telecommunications provide technological knowledge and product information
- This requires wide delegation and empowerment of employees and decentralisation



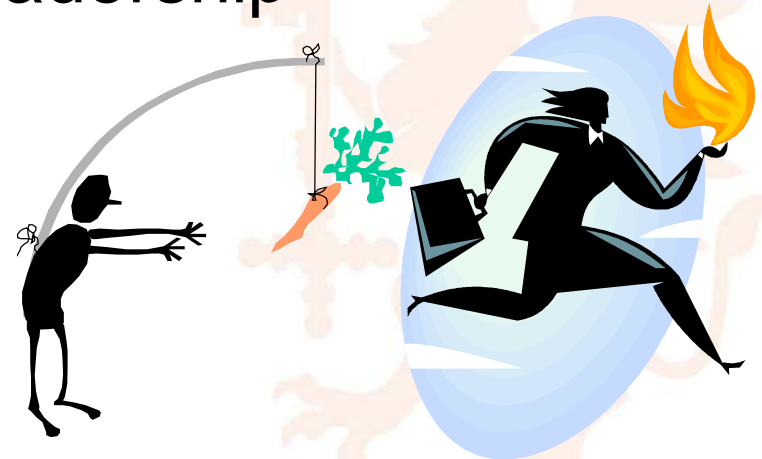
- Leadership is the process of influencing people towards achievement of the leader's goals
- Leaders have to know how to motivate the people who work for them
- The study of great leaders has fascinated writers in Asia for thousands of years
- For example the military elite (bushi or samurai) dominated Japanese politics, economics, and social policies between the twelfth and nineteenth centuries



- Read pp. 373+374



- Leadership and motivation have been studied since WW2
- Traditional idea that leaders are 'born, not made' must yield to a more complex view in which leaders have wide scope in which to develop their own style of leadership





According to Maslow and McGregor.....

- People experience a hierarchy of needs.
- Everybody is motivated to satisfy not only basic needs, but also those of the spirit
- According to McGregor, X theory people need authoritarian management because they hate work. Y theory people need management by participation
- McGregor believed that most workers will accept and seek responsibility if properly motivated: that most of them have high potential only partly realised in most work

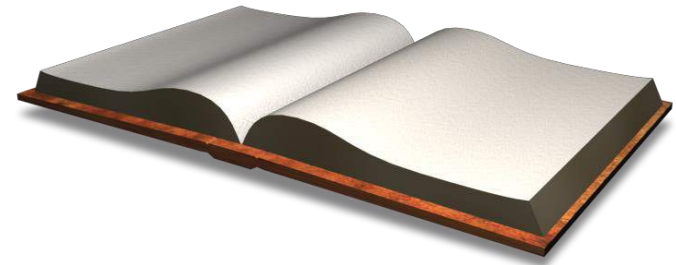


- No style works well in all situations, hence cultural contingency in leadership
- GLOBE research found that ‘good’ leaders everywhere are trustworthy, encouraging, effective bargainers, skilled administrators, communicators and team builders
- Negative traits included being uncooperative, egocentric, ruthless and dictatorial
- Leader–follower interaction is shaped by three factors: the personality of the leader the relative difficulty and complexity of the task and the cultural profile of the team

Comparative management in focus: Elizabeth in India



- Read pp. 386+387





- Because leadership and motivation are forms of communication, cultural influences are very strong
- Other powerful variables are external such as the economics and politics of international environments but the quality of interaction between leaders and followers in international business will make or break alliances



- Global corporate leaders sensitise themselves to the relevant context and develop a working rapport even with people from very different values and expectation from their own



- Basic principles leadership and motivation are universal; but leadership is an essential factor in corporate success and much of the actual content and process of leading and managing are culture-contingent



- One problem in using content theories for cross-cultural research, such as those created by Maslow and Herzberg, is that they may not apply so well in non-western contexts
- More research is needed to support the experiential, trial-and-error evidence of practicing international managers about what motivates who, when, why and how



- Studies on the “meaning of work” indicate considerable cross-cultural differences





- Other studies on cross-cultural motivation support Herzberg's two-factor theory that workers will be dissatisfied if pay and work conditions are not adequate; but in themselves these conditions will not motivate them to work harder and smarter
- Motivational forces occur through intrinsic factors such as the nature of the work itself



- Hofstede's dimensions of power distance, uncertainty avoidance, individualism, and masculinity, as well as time orientation, provide useful perspectives on cultural factors that will affect motivation



- Incentives and reward systems should be designed to reflect relative cultural emphasis on five categories of rewards
 - Financial
 - Social status
 - Job content
 - Career
 - Professional development





- Effective leadership is crucial for achievement of corporate goals
- The challenge is to decide what is effective leadership in different international or mixed-culture situations



- Perceptions of 'good leaders' vary from one society to another
- The GLOBE leadership study across sixty-two countries offers insights to culturally appropriate leadership



- Contingency theory is applicable to cross-cultural leadership because of the cultural and national variables that affect the dynamics of leadership in any given context
- They include leader-follower and group relations, affected by cultural expectations, values, needs, attitudes, perceptions of risk, and loci of control



- Joint ventures with other countries present a common but complex situation in which leaders must work together to anticipate and address cross-cultural problems



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