Decision Making for Global Expatriates

Roberta Newman

Excelsior University

BUS311 Organizational Behavior

Dr. Emilson Holguin

26 September 2021

Decision Making for Global Expatriates

In order for a company to successfully expand into a country in which they have never operated, there must be a strategy in place prior to the move into a new global realm. There are many nuances that both the company and the employees who will be working overseas must understand. Not only must they be aware of and understand the general organizational behavior of businesses within the new country as a whole, there must also be an understanding of the cultural differences and dimensions. This report will analyze and applyHofstede's cultural dimensions to organizational behavior in the United States in comparison to that of Japan. Section A of this report focuses training recommendations for training US expatriates to work in Japan, and a comparison of diversity, equity, and inclusion practices between the two countries. Section B of this report reviews limitations of Hofstede's model and how those limitations will influence the above recommendations.

Section A: Cultural Comparisons

In order to work as an expatriate in a new country, employees must align with the cultural norms, customs, and courtesies within a business context at a minimum. There are numerous and cultural differences between the United States and Japan. Khan (2010) explains that "Japanese business protocol, behaviors, gestures, gesticulations, greetings, and etiquette are quite different from that of American or Western cultures" (p. 186). He identifies manners as being very important and strictly observed in Japan while conducting business as they "measure one's quality"businesspeople may first judge one's achievements within the specific business arena (p. 187). Khan goes on to state that manners are so important to the Japanese, a single faux pas can derail and destroy all other impressions, and if during a business interaction, a Japanese person is somehow disgraced or embarrassed, the deal is over. Secondly, Khan identifies greetings as a

cultural difference between Americans and the Japanese. A silent bow may suffice in Japan in lieu of a handshake, although not required if the American businessperson does not speak Japanese. Khan (2010) also recommends, if one is to bow during a greeting, do not speak English during this ritual, and as a general rule, the younger of the two people greeting bows lower than the elder. These "rules" differ greatly than that of a simple firm handshake American businesspeople may be accustomed to.

Lastly, while engaging in a business conversation, it is considered impolite to address a Japanese businessperson by his or her first name, which may differ from practices within American business culture. Khan (2010) recommends addressing one with their last name followed by *san,* an "honorific title." While these are just three cultural examples of differing business practices, there are many divides that must be bridged through training when preparing American businesspeople to work abroad in Japan.

Training Recommendations

Hofstede's country comparison tool makes it possible to identify major cultural differences between the United States and Japan. In order to properly train and prepare individuals to go to Japan to represent an organization, these cultural differences must be examined, then training can be prepared to address these differences. Japan scores very high on Hofstede's model in the categories of Masculinity, Uncertainty Avoidance, and Long-Term Orientation, and when compared to the United States, low on the Individualism scale. In order to train and prepare US Expatriates, the most properly aligned people should be chosen. In a country with a high level of masculinity, achievement, competitiveness, and money are valued.

An individual that exhibits the traits of conscientiousness would be suitable as they are generally achievement oriented (Bauer & Erdogan, 2017). While Japan has a very high level of

Uncertainty Avoidance, this means that they are used to and prefer predictable situations and not extremely open to change. With this being identified, an individual with the trait of openness may be a good fit as Baur & Erdogan describes these individuals as "highly adaptable to change" (Bauer & Erdogan, 2017, p. 2.17). The ability to change is a needed attribute as the United States scores fairly low on Uncertainty Avoidance. Japan also scores high on Hofstede's model on Long Term Orientation, or focusing on the long term of their organization assignment should be aware that Japan values a long-term oriented society rather than a society that values instant gratification. Finally, Japan does not rate very high on the Individualism scale, meaning it is a collective society. These societies value groups and organizations as a whole versus the mindset of looking after oneself or immediate family as the citizens of the United States generally do (Hofstede, 2021). An individual exhibiting Extraversion as a trait may be a good fit as "interacting with others and being social energizes extraverts" (Bauer & Erdogan, 2017, p. 2.17). This skill can be very valuable in a society where teamwork is highly valued.

With these cultural dimensions and personality traits identified, training and preparation can take place. A cultural mentor or liaison could pay dividends prior to sending employees overseas. If an individual from the host country could visit one's organization to assist in training, it could be a very positive experience. This individual could advise employees on current Japanese business laws and regulations ensure all business practices are ethical and legal. Secondly, training on cultural and societal customs in the business place are also crucial due to the reasons mentioned in the beginning of this report, as Japan values these highly. Lastly, language skills are crucial in a business setting. If it is impossible to train individuals in language skills, at a minimum, it is wise to train employees on the use of interpreters as Khan (2010) states, "It is advantageous to use an interpreter. It will make the Japanese team feel more

comfortable dealing with you and will give you the advantage of doing business in the customer's language" (p. 190). While identifying and training employees on cultural dimensions, understanding diversity, equity, and inclusion practices is also crucial when conducting business in a new environment.

Diversity, Equity, and Inclusion Practices

Japan differs greatly with diversity, equity, and inclusion in the workplace concerning women. This is one of the most glaring gaps between the United States and Japan. Schipani provides figures that back this claim. As of 2016, when comparing the United States to Japan, only 13 percent of managerial positions were held by women in Japan while 43.3 percent were held in the United States. Women holding executive positions in Japan is 3.4 percent, while 17 percent are held by women in the United States (Schipani, 2019). Schipani goes on to state that this is partly due to the ideology that women are looked at as "nurturers" and "caregivers," and this has influenced the workplace in Japan. Although the United States has a long way to go to improve inclusion in the workplace, this differs greatly as "unlike in the United States, where many women work to further their career, Japanese women work to support their family" (Schipani, 2019, p. 119).

Due to international pressure, Japan has set a goal to increase leadership positions held by women to 30 percent (Schipani, 2019). This is a step in the right direction as "studies that show the leadership performance of females is comparable to (and in some dimensions, such as transformational or change-oriented leadership, **superior** to) the performance of male leaders" (Eagly et al., 1995). These differences in culture should not be looked at as *wrong* by expatriates necessarily but should be identified as different. Employees should be aware of these differences in order to grasp and understand cultural business norms in the workplace.

Section B: Limitations of Hofstede's Model

Hofstede's cultural dimensions are defined as "four dimensions of national culture (individualism, power distance, masculinity, and uncertainty avoidance) that serve as a framework through which to identify variations across cultures" and "two additional dimensions: long-term orientation and indulgence" (Bauer & Erdogan, 2017, 2.3). While this framework provides general information concerning a specific countries dimensions of national culture compared to another, it is not without its limitations. Some point out that an individual within a country cannot be "pigeon-holed" or "classified" by an essentialist cultural theory such as Hofstede's (Sanderson, 2007). One of the dangers of Hofstede's model is the possibility of one using it to stereotype individuals and citizens of a country or culture. Hofstede even cautions against this himself as he stated,

> what is unfounded in any case is the application of stereotype information about a group to any individual member of that group. The valid part of a stereotype is a statistical statement about a group, not a prediction of the properties of particular individuals. Stereotypes are at best half-truths. (Hofstede 2001, p. 14)

A second critique of this model is the fact that some say five dimensions does not go far enough to describe a culture, and "they do not believe that an individual's national culture or identity can be used to either predict or determine their behaviour or values" (Hewling & Macfadyen, 2005, as cited in Sanderson et al., 2007, p. 4). This must be considered while conducting research and comparing two different countries' cultural dimensions.

Limitations Influencing Training of US Expatriates

Having identified that Hofstede's cultural models does indeed have limitations, these must be considered while preparing and training employees to work in Japan, or anywhere else

overseas. Having recommended such training topics such as business laws and regulations, cultural and societal customs, and language (interpreter use), it is crucial that these limitations are included as not to limit one's view or feelings towards individuals or a country itself. While training individuals, employees must be reminded that while Hofstede's model is a general framework, it does not mean that every single person or region within a specific country fits in the "mold" or "box" that Hofstede prescribes. Each individual with whom one works and socializes while conducting business is their own person and may not necessarily fit in Hofstede's definitions of a country's cultural dimensions. Again, even Hofstede warns of this as he states, "an *individual's* values and behaviour cannot and should not be predicted from national cultural norms" (Hofstede, 2001, as cited in Sanderson, et al., 2007, p. 4).

In conclusion, in order to properly identify, train, and prepare employees to work abroad, an organization must obtain critical information such as cultural practices. Once this information is collected, informative and realistic training can be created and executed in order to prepare expatriates. Identifying and understanding diversity, equity, and inclusion differences while working abroad is also a crucial aspect that must be inherent to all employees while working overseas. While Hofstede's model is a good start at identifying cultural dimension differences between countries, it must be remembered that it is not necessarily the "gospel," and "one shoe" does not fit every individual or region.

References

Bauer, T., & Erdogan, B. (2017). *Organizational behavior* (2nd ed.). Soomo Learning. https://www.webtexts.com

Eagly, A. H., Karau S. J., & Makhijani, M. G. (1995). Gender and effectiveness of leaders: A meta-analysis. *Psychological Bulletin*, 117, 125–145. https://www.webtexts.com/courses/46725-holguin/traditional_book/chapters/4868425-national-culture-and-diversity/pages/3944443

Hofstede, G. (2001). Cultural consequences: Comparing values, behaviors, institutions and organizations across nations (2nd ed). Sage Publications. Thousand Oaks.

Hofstede, G. (2021). *The 6-D Model of National Culture*. https://geerthofstede.com/ culture-geert-hofstede-gert-jan-hofstede/6d-model-of-national-culture/

Hofstede's Insights. (2021). Country Comparison. https://www.hofstede-insights.com/country-comparison/japan,the-usa/

Khan, Y. (2010). Tips on doing business in Japan. *Global Business Languages*, *2*(1), 16. http://docs.lib.purdue.edu/gbl/vol2/iss1/16

Sanderson, G. (2007). *The strengths and limitations of using essentialist cultural theory to understand international students*. [Doctoral dissertation, ISANA International Education Association]. https://excelsior.instructure.com/courses/26174/pages/m4-dot-1-readings-and-resources?module_item_id=2149285

Schipani, C. A. (2019). The plight of women in positions of corporate leadership in the United States, the European Union, and Japan: Differing laws and cultures, similar issues. *University of Michigan Journal of Gender and Law*. Working Paper 1396. https://deepblue.lib.umich.edu/handle/2027.42/15231