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THE MANY FACES OF CULTURE: UNDERSTANDING COUNTRY AND CORPORATE CULTURE

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ABSTRACT

Both corporate and country culture play crucial roles in the crafting of a company's strategies. Frequently, students encounter difficulties distinguishing the two types of culture and their impacts. This session introduces exercises that enable students to experience the differences between country and corporate culture.

INTRODUCTION

The importance of country and corporate cultures for the successful operation of a modern business enterprise is well documented. In the international business literature the differences between countries in the sets of norms and responses that together comprise the culture of each country have been found to play a major role in the planning, organizing, staffing, coordinating and controlling attempts of companies engaged in international operations (Harris & Moran, 1979). It is critical that students of international business understand these differences and the skills required to function in a multi-cultural (country differences) environment. The strategic management literature is equally adamant about the importance that the set of shared assumptions within a given business organization (corporate culture) play for the success of and operation of a company. Corporate culture can aid or hinder the development of a sustainable competitive advantage (Barney, 1986) but can also be a key obstacle to successful change (Fitzgerald, 1988).

Although students generally have little problem comprehending the two constructs of country and corporate culture, they have difficulty distinguishing between the two in applied settings and not uncommonly lack the ability to tell

whether a given issue is due to cultural influences or attributable to another, unrelated issue. For the past six years, we have used a set of experiential exercises in international management and strategic management or business policy courses for both undergraduate and graduate students that allow students to experience cultural differences first hand. They are based on a three step process. In step one, students are familiarized with a predetermined cultural set; step two requires negotiations between groups with different cultures; and step three is a debriefing session in which students discuss their perceptions.

STEP ONE - FAMILIARIZATION WITH CULTURE

In this step students are familiarized with the salient features of a pre-determined "country" culture. This is done by assigning students randomly into groups and then handing each group separate and distinct descriptors of the group's culture. The basis for the descriptions differs depending on whether a simulated country culture or corporate culture is attempted. To simulate a country culture, groups are given descriptors of a culture that revolve around time orientation, spatial distance, importance of power differences, and degree of uncertainty avoidance. These dimensions are loosely related to Hofstede's (1980) work and are similar to aspects of a popular international business game (BAFA-BAFA).

To simulate a company's culture, students are given descriptions of shared objects, sayings, behaviors and feelings along with relevant goal sets. This simulates the basis on which a company's culture can become observable.

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In either case students are next asked to develop a brief, fictional story describing how their company or group came to be what it is today. They are asked to closely relate the story to the set of descriptors that they received. This stage tries to accomplish what in reality takes years to develop -the emergence of a cohesive culture. We have found that within a relatively short time of 30-45 minutes students can become immersed enough in their hypothetical culture to allow for the role-play negotiations required in the next step.

STEP TWO - NEGOTIATIONS BETWEEN DIFFERENT CULTURES

In this step, differences between cultures are simulated by asking each group to negotiate in a hypothetical scenario with another group. Scenarios simulate believable business situations in which groups must negotiate with each other. Generally, it is in this stage that many students become somewhat frustrated with members of the other group. That is, they experience culture conflict. We have conducted exercises in which we only manipulated either country or corporate culture and those in which we manipulated both. Time permitting, its those later simulations that allow for the most insights into the concept of culture during the third step.

STEP THREE - DEBRIEFING

This step is carried out in plenum with each group first describing their impressions of the process. This brings to light much of the frustrations experienced by the participants and shows why, in most cases, successful negotiations would be unlikely. The groups are then asked to present their brief stories which had served as both a cohesion building exercise in step one and as an anchor for the groups culture. At this stage the majority of students discover on their own that the causes for the perceived conflict were linked to the differences in culture. At this point we normally proceed to a discussion on coping

strategies and skill sets required for managers.

Our classes have had great success with this set of exercises. We suggest that they can be instrumental in allowing students to maximize comprehension of two important constructs in business education: country and corporate culture.

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